HITACHI
Inspire the Next

July 19, 2023

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (Atten: DCS Listing)	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 (Atten: Manager Listing Department)

Ref: BSE Scrip Code: 543187, NSE Scrip Symbol: POWERINDIA

Dear Sirs,

Sub: Regulation 34 of SEBI (LODR) Regulations, 2015 - Annual Report for the Financial Year 2022-23

We are enclosing herewith the 4th Annual Report of the Company for the financial year 2022-23 along with the Notice of the Annual General Meeting which has been dispatched today (i.e. July 19, 2023) in electronic form to all eligible Members whose email ids are registered with the Company / Depositories.

The 4th Annual General Meeting of the Company will be held on Thursday, August 17, 2023 at 11.00 A.M. (IST) through ("VC") / Other Audio-Visual Means ("OAVM") in accordance with the Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

The Annual Report can also be accessed from the website of the Company at https://www.hitachienergy.com/in/en/investor-relations/general-meetings

The Annual Report is enclosed pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited

Ammatanda Chinnappa Poovanna

Digitally signed by Ammatanda Chinnappa Poovanna
Date: 2023.07.19 22:24:21 +05'30'

Poovanna Ammatanda
General Counsel and Company Secretary

Encl: as above

CC:
1. National Securities Depository Ltd.
2. Central Depository Services (India) Ltd.
3. KFin Technologies Limited – Registrar & Share Transfer Agent

HITACHI
Inspire the Next

Purpose-driven growth

Annual Report 2022-23

Hitachi Energy India Limited

Hitachi Energy

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Introducing the theme

Purpose-driven growth

Hitachi Energy India believes that a carbon-neutral future is electric; its purpose is to advance a sustainable energy future for all. The Company's mission is to make the world's energy system more sustainable, flexible, and secure. As a pioneering technology leader, it actively collaborates with its customers and partners to enable a sustainable energy future for both current and future generations.

In line with its vision, Hitachi Energy India aspires to a world where carbon footprints diminish, and a healthier society thrives with the help of its sustainable energy solutions. To turn this vision into reality, the Company has embraced a growth strategy inspired by purpose – an orchestration of economic prosperity, ecological balance, and social benefit, achieved through its commitment to the development and delivery of sustainable and pioneering technologies for energy and ancillary sectors.

Investing in research and development, Hitachi Energy India focuses on creating energy products that meet the highest quality standards while remaining environmentally sustainable. Its ultimate objective is to support economic growth while minimizing the environmental impact associated with energy production and consumption.

"Accelerating the energy transition is key to carbon neutrality and addressing the urgency of the climate emergency. With electricity as the backbone of the energy system, the power grid will play a critical role and this is also the case in India. The focus remains on purpose-driven, sustainable growth by championing the cause of reaching net zero through an inclusive and equitable energy transition. As the pioneering technology leader, let us seize this pivotal moment to drive substantial change, propelling the global transition of energy system to be more sustainable, flexible and secure."

Claudio Facchin
CEO – Hitachi Energy Ltd, Switzerland

"As a nation, we have committed to growth driven by non-fossil energy. At Hitachi Energy India, we understand this ongoing transition and are resolutely committed to driving the nation's growth engine. The Comapny has been part of various nation-building projects since its inception and will continue to do so. Be it a seamless transition to renewable energy, interstate transmission, electrification of Indian rail or boosting an eco-system to spur industrial growth, there is always our involvement through our innovative products and services."

N Venu
Managing Director and CEO – Hitachi Energy India Limited

Taking center stage in a dynamic landscape

FY 2022-23 marked significant shifts in the global energy landscape, in no small part due to the Russia-Ukraine war and its impact on supply chains. In this light, ongoing national commitments to combat climate change were tested and reaffirmed. Driven by the evolving global supply patterns, India too cemented its position on the map.

The onset of the Russia-Ukraine war in February 2022 had a profound impact on India's energy sector, leading to a substantial increase in the price of India's crude basket. Within the six months following the commencement of the war, the price surged from US $80 per barrel to US $110, bringing about a rapid and significant change in India's energy landscape. This led to a 76 percent increase in India's oil import bill during the first six months of the fiscal year. The conflict also resulted in a substantial rise in the fertilizer bill, which is expected to have a long-term impact on India's economy. In addition, supply chain constraints and escalated demand of chips and electronics squeezed supply. The escalating import bill, along with supply disruptions, led to higher inflation and slower growth for India, as the Reserve Bank of India (RBI) responded to the situation by raising interest rates.

A rising import bill, coupled with supply-side disruptions, has meant that Indian consumer price inflation, which in the last fiscal averaged between 4.5 and 5.5 percent, ended at 6.44 percent in FY 2022-23, according to the RBI. This story has also played out the world over, with the only additional factor being that pandemic-era stimulus in Western economies also contributing to a surge in inflation. As a result, central banks around the world have hiked rates to keep inflation in check. After several hikes, the repo rate stands at 6.50 percent (March 2023) in India.

In terms of climate change, India made substantial commitments towards sustainable development and reducing carbon emissions. The country's dedication to combating climate change was underscored in the Union Budget FY 2022-23, which proposed measures to facilitate domestic manufacturing of solar infrastructure and promote energy-saving measures in large commercial buildings. To further support the government’s efforts towards the expansion of renewable energy capacity, the Central Electricity Authority has planned an investment of ₹2.44 trillion in transmission systems dedicated to renewable grid integration from 2023 to 2030. These strategic initiatives aim to drive the transition towards clean energy and foster a conducive environment for integrating renewable grids, developing data centers, promoting e-mobility, and adopting smart grid technologies.

To balance the large-scale solar and wind energy being added into the national grid, Battery Energy Storage Systems (BESS) will be critical by enabling time-shifting of power dispatch. India is projected to lead globally in battery storage capacity, adding 140-200GW by 2040, as per the Institute for Energy Economics and Financial Analysis. Notable projects at the state and central levels showcase the development in this sector. The Production- Linked- Incentive (PLI) scheme will further support domestic battery storage production. Availability of bidding pipelines and timely signing of offtake agreements will be vital for scaling up Battery Energy Storage System (BESS) capacity in India.

Hitachi Energy India Limited is strategically positioned to leverage the government's initiatives and the emerging trends in India’s expanding renewable energy sector. With a strong market presence and expertise in high-voltage power technologies, the Company is poised to benefit from the considerable investments in transmission including systems dedicated to renewable grid integration. Hitachi Energy India's comprehensive range of Transmission and Distribution (T&D) solutions, which includes HVDC transmission corridors and innovative transformers, power quality products and automation perfectly align with the requirements for efficient power evacuation from renewable energy sources. Moreover, the Company's offerings for e-mobility, data centers and industries present significant growth prospects. Hitachi Energy India's unwavering commitment to digital solutions, alongside its focus on enhancing efficiency, productivity and environmental sustainability, solidifies its position as a trusted partner in India's transition towards clean energy.

Sources: Forbes India and Invest India

India's position in the energy market

3rd

India is the third-largest producer of electricity worldwide, with an installed power capacity of 412 GW[1]

(as on 2023)

3rd

India is the third-largest consumer of electricity worldwide, with a population of 1.42 billion

(as on 2023)

3rd

India is the world's third-largest emitter of CO_2, despite low per capita CO_2 emissions.[3, 4]

(as on 2019)

4th

Largest installed renewable energy (RE) capacity[5]

(as on 2023)

5th

In attracting clean energy investments US $14 Billion

(as on 2021)

Focus areas

2023

40%
of total generating capacity is in form of renewable energy

90%
Rail broad-gauge network electrified

1%
EV penetration of the Indian market

2030

50%
Energy from non-fossil energy

500GW
Renewable energy

100%
Rail electrification

30%
EV penetration

1 billion tons
of CO_2 reduction

1 million tons
of green hydrogen in annual production

[1]Power Sector in India: Market Size, Industry Analysis, Govt Initiatives | IBEF (Govt. Trust)
[2]Power Sector in India: Market Size, Industry Analysis, Govt Initiatives | IBEF (Govt. Trust)
[3]India holds the key to hitting global climate change targets | World Economic Forum (weforum.org),
[4]India's carbon emissions: The world might depend on India's climate efforts - The Washington Post
[5]https://www.statista.com/statistics/267233/renewable-energy-capacity-worldwide-by-country/
[6]These are the top 10 countries by energy transition investment | World Economic Forum (weforum.org), World Energy Investment 2023 (windows.net)

FY 2022-23 performance at a glance

Financial Highlights

₹4,483.7 Cr

Revenue

₹93.9 Cr

Profit after tax (PAT)

₹253.4 Cr

EBITDA

₹22.16

Earnings per share

Business Highlights

Orders split by sectors

69%
Utilities

14%
Industries

16%
Transport and Infrastructure

Orders split by offerings

63%
Products

33%
Projects

5%
Services

Sustainability Highlights

Planet

18%
Reduction in total energy consumption

16%
Reduction in total water consumption

~45%
Reduction in total greenhouse gas emission

People

15%

Gender diversity in hiring

Peace

Launched revised

Code of Ethics and Business Conduct

Partnerships

Partnered with

NIT Warangal

Developing centralized monitoring and analytics center to give hands on experience to smart city engineers

IIT Roorkee

In continuation of developing a full ecosystem around the smart electric grid Master Program, your Company installed electric vehicle infrastructure

Company overview

Driving India’s energy transition

Hitachi Energy India's is a prominent player in the power technology industry, widely recognized for its comprehensive energy technology portfolio. The Company specializes in providing sustainable solutions that help meet the increasing demand for electricity with minimum environmental impact. Its products, systems, software, and service solutions are designed to facilitate the safe, reliable, and efficient integration, transmission, and distribution of bulk and distributed energy from conventional and renewable sources.

Our journey

Over the years, the Company has been at the forefront of technological advancements, consistently pushing the boundaries of innovation to meet the evolving energy needs of the nation. The Company’s rich heritage and deep understanding of the Indian market has enabled it to forge strong relationship with customers, stakeholders, and partners across various sectors.

1949	Hindustan Electric Company is incorporated and later acquired by Brown Boveri Cie (BBC)
1965	First manufacturing facility in India is set up in Maneja, Vadodara - the circuit breaker factory
1984	Operations expansion continues with the inauguration of the Grid Automation facility in Peenya, Bangalore
1989	Commissioned the first back-to-back HVDC transmission link for NTPC at Vindhyachal connecting the northern and western grids
2015	Installed end-to-end power solutions for Delhi Metro, and SCADA to monitor and control the power network
2016	Energized the world's highest-rated 1,200kV transformer

As a conscientious leader in Indian power technologies and energy systems, the Company is dedicated to empowering all through sustainable practices. Partnering with diverse sectors such as utilities, industry, transport, infrastructure, the Company works to plan, construct, operate, and maintain sustainable power infrastructure. It harnesses innovative technologies to navigate unique customer challenges, with a team of seasoned experts delivering bespoke solutions.

Since it entered the Indian market in 1949, the Company has significantly expanded its local operations to meet India's evolving power sector needs and now takes pride in facilitating accelerated energy transitions. The Company's pioneering and digital solutions span the power value chain, ensuring the provision of affordable, reliable, and sustainable services to its clients. Your Company has made significant investments across the value chain – R&D centers, academia, customer learning centers, employees, and suppliers – to drive sustainable growth.

Rich parentage

Hitachi Energy India a Company with rich parentage is founded by two iconic companies with a combined heritage of almost 250 years in pioneering technologies. A powerhouse in manufacturing electronics, industrial machinery, and infrastructure products since 1910, Hitachi Ltd. lends its expertise and resources to fuel Hitachi Energy India's innovative energy solutions for India. Hitachi's leading digital technologies merged with world-class power grids solutions will help Hitachi Energy India to actively support the global transformation and decarbonization of the energy system.

Hitachi Energy India delivers comprehensive energy solutions, ranging from power generation systems to grid stabilization technologies and energy storage solutions. Hitachi Energy India has emerged as a prominent player in the energy sector through a strategic joint venture of ABB's Power Grids business and Hitachi Ltd in 2018. Hitachi's strong commitment to acquiring the remaining shares of Hitachi Energy India (from ABB) ahead of schedule in December 2022 will help accelerate synergies and implementation of Hitachi Energy's 2030 Plan.

2017	The first digital substation for reliable, round-the-clock power to serve the 350 companies for India's largest Information Technology Park
2018	Partnering Indian Railways' electrification ambitions with extensive traction equipment orders
2020	Listed the demerged Power Grid business as Hitachi Energy India Ltd* (from ABB) on the Indian stock exchanges
2021	Energized one of India's longest bi-directional UHVDC transmission links from Raigarh to Pugalur
2022	Doubled Power Quality manufacturing capacity in India
2022	Largest rated transformer for solar evacuation for India's largest renewable energy park
2023	Greenfield advanced power system - HVDC & Power Quality - factory inaugurated in Chennai

* (formerly known as ABB Power Products and Systems India Limited)

Businesses

Leading in India's energy and technology space

Hitachi Energy India strives to provide maximum value to its customers. To achieve this goal, the Company has a highly organized network operation. Over 2,300 experts in India to remain near customers, fostering a deep understanding and knowledge of local market operating conditions across the country. The Company connects the latest pioneering developments and solutions through the competence and reference points of our Business Units.

Grid Automation Business Unit

The Grid Automation Business Unit (BU) has a comprehensive portfolio of solutions that cater to all key segments connected to the energy system, including generation, transmission, distribution, industries, transportation, and infrastructure sectors. Solutions range from substation automation, communication networks, grid automation services, and grid edge solutions to enterprise software solutions, ensuring that the Company offers a complete suite of services to meet its customers' diverse needs. They enable customers across the globe to optimize the critical systems that power, move and connect everyone, thus building a more productive and sustainable world.

Grid Integration Business Unit

The Grid Integration BU solutions are extensive, spanning a wide range of transmission and substation applications and facilitating the reliable and efficient integration of the future digital electric network, all while minimizing environmental impact.

The Hitachi Energy India Grid Integration Business Unit (BU) incorporates integrated systems, solutions, and services from the Company's DC and AC fields, including HVDC (High Voltage Direct Current), Grid Edge, Substations, and Power Quality solutions. The business also offers offshore wind connections, semiconductors, and power consulting services for key segments in the energy system, such as renewables, transmission distribution, and e-transportation solutions.

High Voltage Products Business Unit

Hitachi Energy India is a leading provider of high-voltage technology, offering a wide range of high-voltage products for both AC and DC systems up to 1,200 kilovolts (kV) and 1,100 kV, respectively. Its primary offerings for switchgear, circuit-breakers, generator circuit breakers, power quality products, surge arresters, disconnectors, instrument transformers, and high-voltage services help enhance the safety, reliability, and efficiency of power networks while minimizing environmental impact.

The product portfolio incorporates key innovations in active technology power quality and battery energy storage, eco-efficient switchgear, digital generator circuit-breakers, and hybrid and integrated switchgear. The Company's continued technology leadership enables innovations in ultra-high-voltage power transmission, which allows for flexible smart grids and enhances eco-efficiency.

Transformers Business Unit

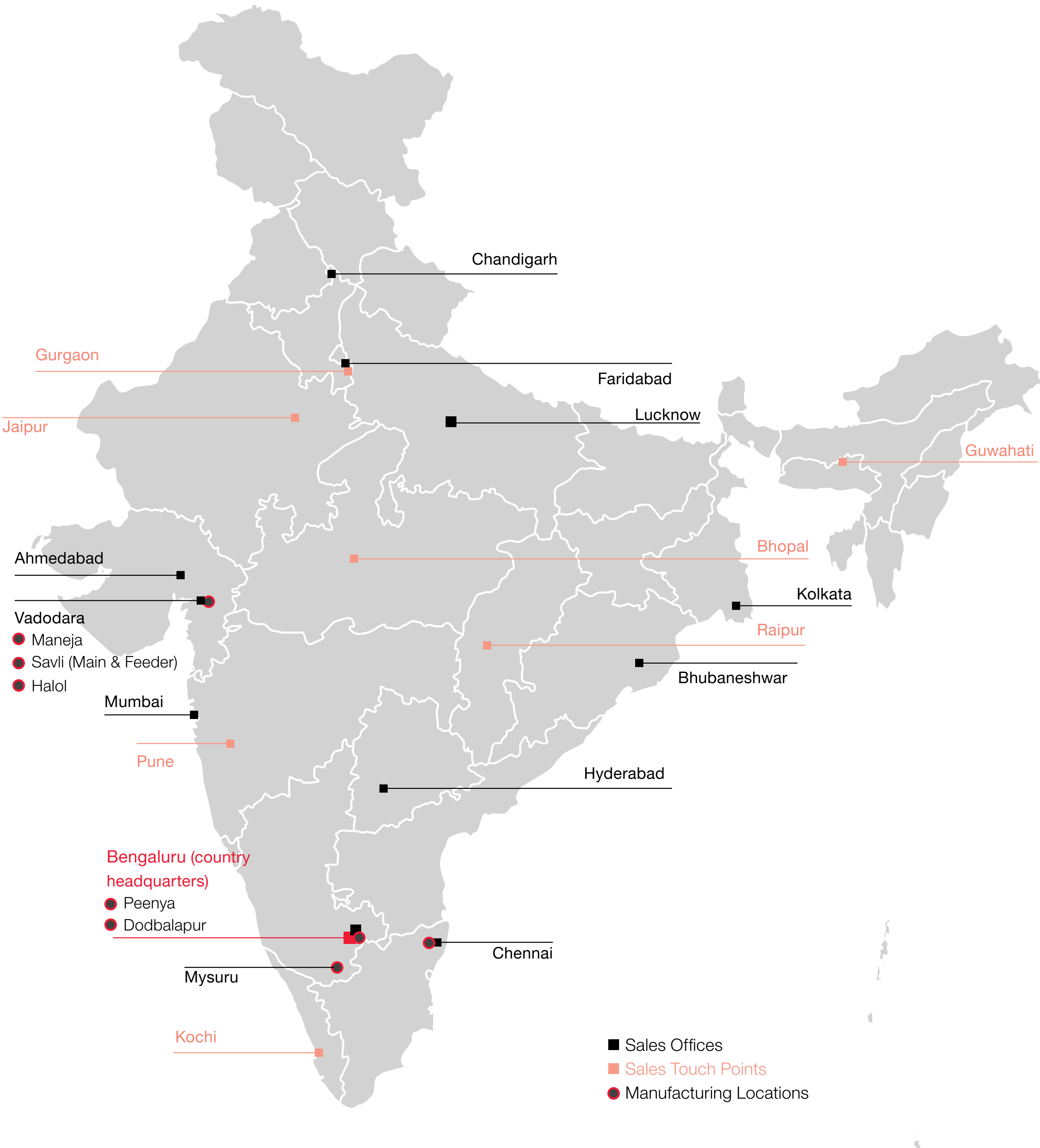
Transformers BU team leverages innovative and diverse technology to transform energy, delivering social, environmental, and economic value and enabling a sustainable energy future for current and future generations. The business's comprehensive portfolio includes power transformers, traction transformers, insulation and components, digital sensors, and transformer services.

The Company's transformers have been deployed across power generation, transmission, and distribution to metals and mining, oil and gas, commercial and infrastructure projects, and mobility. As the grid becomes more complex, the transformers play an increasingly vital role in improving power quality and network management. The Company is proud to introduce its TXpert™ Ecosystem, the next level in transformer digitalization, further advancing its commitment to innovation and sustainability.

Footprint

Shaping India's energy landscape

Establishing a strong presence in India's dynamic energy landscape, Hitachi Energy India is a trusted and reliable partner. With a local footprint and a wide range of innovative solutions, The Company is well-equipped to address the evolving energy needs of the nation. From transmission and distribution systems to electrification and renewable grid integration, the Company's expertise and advanced technologies make it a key player in driving the sustainable energy transition in India.



Source: SurveyofIndia
https://surveyofindia.gov.in/documents/polmap-eng-11012021.jpg

19 FACTORIES
across **8 MANUFACTURING LOCATIONS**

11 SALES OFFICES and
7 SALES TOUCH POINTS

2,323
Permanent Employees

ENERGYDEC
Energy digital experience center in Bengaluru

ENERGYTEC
Energy technology experience center in Maneja

Enabling power for

90 MILLION PEOPLE through the world's first multi-terminal UHVDC transmission link

Facilitating round-the-clock power for

350 COMPANIES at India's then largest IT Park

>50% of HVDC links in India use Hitachi India Energy technology

9/10 METRO RAIL SERVICES
Deploy Hitachi Energy India technology

Financial performance

Resilient growth, sustainable success

Hitachi Energy India's remarkable success is a testament to its unwavering dedication to purpose-driven growth. The Company's focus on high-growth segments, strong regional capabilities, and enduring customer relationships have propelled its achievements throughout the year. Overcoming challenges like price increases and trade bottlenecks, Hitachi Energy India has consistently achieved substantial revenue growth, establishing a solid foundation for continued progress and prosperity. By prioritizing its purpose, the Company remains committed to advancing sustainable energy solutions and contributing to a healthier society.

Key financial metrics

Particulars	Amount (₹ Crore)
Total orders received	6,817.20
Revenue	4,468.51
Profit before tax after exceptional items	130.82
Profit after tax	93.9

Key ratios

Particulars	
Effective tax rate	28.22%
Earnings per share (in ₹)	22.16
Debtor turnover	3.0
Inventory turnover	3.8
Current ratio	1.2

New factories and products

Ramping up technologies for access to energy in India

With a focus on sustainable solutions and cutting-edge technology, Hitachi Energy India's investments exemplify the Company's commitment to driving progress and meeting the evolving needs of the power sector. These initiatives contribute to India's carbon neutral ambitions.

Manufacturing facility for production of resin-impregnated paper bushings

The Company inaugurated a new transformer components factory in May 2022 at Vadodara. This will be the first manufacturing facility in India producing resin-impregnated paper bushings up to 400kV voltage level. The new low environmental impact production for dry bushings is in line with the country's ambitious goals of integrating a larger proportion of renewable energy sources and striving towards carbon neutrality.

Greenfield manufacturing facility for high-voltage power quality products

This state-of-the-art facility in Bengaluru doubles the Company's production capacity for advanced capacitor units, banks, and other products. These cutting-edge solutions play a vital role in improving efficiency and reducing energy waste in power utilities, industries, renewables, and transportation sectors.

As a part of Hitachi Energy's global manufacturing network, this facility not only creates direct and indirect employment opportunities but also fosters a local supplier ecosystem throughout the manufacturing value chain. Innovative processes in the factory that reduce electrical energy consumption per process step by almost 40 percent.

Vadodara factory to produce operating mechanisms for circuit breakers

The new factory in Maneja, Vadodara is dedicated to the production of Operating Mechanism for circuit breakers. This facility serves the growing demand from both global and local customers who require reliable and efficient operating mechanisms by incorporating multiple standards of drives, which ensure extensive applications in circuit breakers worldwide.

Equipped with cutting-edge assembly stations and utilizing the latest equipment technology, the factory ensures seamless production processes. Lean principles are diligently implemented throughout, including the adoption of a single-piece flow, optimized material flow, and the establishment of a supermarket for sub-assemblies and finished goods. These practices contribute to the overall efficiency and effectiveness of the factory.

Advanced power system factory

In February 2023 the Company inaugurated an advanced power system factory in Chennai specializing in cutting-edge power electronics for HVDC systems, STATCOM, and the MACH™ control and protection system. This factory serves a dual purpose by meeting the growing demand for clean energy solutions in India and worldwide. Its focus is on seamlessly integrating renewable energy sources on a large scale, supporting the global energy transition.

It also functions as the world's second testing laboratory for power quality control solutions. With its strategic location, the factory is well-positioned to meet the increasing demand for high-voltage transmission projects in India and contribute to global HVDC installations through product exports.

New product launches

Hitachi Energy India's commitment to research and development has resulted in the introduction of several ground-breaking products. These new offerings leverage the power of digitalization, advanced connectivity, and specialized hardware to deliver enhanced performance, efficiency, and reliability across various energy applications.

- **TRO600 series wireless routers with 5G capability:** These routers are designed to bring 5G connectivity to mission-critical industrial and utility operations, ensuring high reliability and resiliency. The TRO600 series offers a cost-effective solution for extending localized services by utilizing the closest wired or wireless backhaul interconnect. Alongside its hybrid wireless architecture, this series also includes a reliable wired backhaul option for mission-critical applications, featuring a range of gigabit Ethernet and fiber interfaces.

- **TXpert™ Hub:** This next-generation digital technology serves as the heart of the TXpert™ Ecosystem for transformer digitalization. It enables the aggregation and analysis of data from digital transformer sensors, offering digital connectivity, monitoring, and optimization capabilities.

- **OceaniQ™ portfolio:** Designed specifically for offshore wind energy, this ruggedized technology addresses the unique challenges of the offshore energy environment. It includes solutions for fixed platforms, floating structures, and sub-sea power systems. OceaniQ™ will result in greater volumes of wind power being efficiently harvested and integrated into the world's energy system.

- **Lumada Inspection Insights:** This portfolio leverages AI-driven analysis of images, including satellite imagery, to provide intuitive visual insights into the health and risk profiles of assets and infrastructures. It aids in better asset management and service planning.

New and ongoing projects

Powering an energy revolution

As a leader in the energy sector, Hitachi Energy India continuously strives to innovate and drive sustainable solutions for a rapidly evolving world. Your Company's commitment to excellence and expertise is reflected in the diverse range of projects we undertake.

From cutting-edge power system factories to advanced manufacturing facilities, our new projects are geared towards meeting the growing demand for clean energy solutions, enhancing grid reliability, and facilitating the integration of renewable energy sources on a national scale.

Milestone projects in FY 2022-23

With its ongoing projects, Hitachi Energy India is making significant strides in India's energy sector, solidifying its position as a key player in the country's ambitious growth plans.

High-Voltage Direct Current (HVDC) projects

Building upon its commendable track record in HVDC projects, including the pioneering Vindhyachal project, which marked the Company's introduction of HVDC technology in India, Hitachi Energy India continues to lead the way in driving innovation and efficiency in the energy sector. In FY 2022-23, Hitachi Energy India commissioned the Raigarh-Pugalur project, its sixth HVDC installation in India, and won the Kudus-Mumbai HVDC link, showcasing the Company's unwavering commitment to pushing the boundaries of power transmission capabilities.

Power transformers for NTPC's solar park in Gujarat

Hitachi Energy India is actively engaged in supporting India's renewable energy goals. By securing orders to supply power transformers for NTPC's expansive renewable energy park in Gujarat, the Company is contributing to the growth of clean and sustainable energy generation. These state-of-the-art transformers, manufactured at the Transformers factory in Vadodara, will play a pivotal role in efficiently pooling and transmitting the power generated from the expansive solar park, thereby bolstering the overall reliability and stability of the grid. As part of this order, your Company is supplying the highest-rated transformers used for solar evacuation in India till now.

Rail transportation system and digitalization of industries' asset base

With its forward-thinking approach and unwavering commitment to innovation, Hitachi Energy India is not only transforming India's energy landscape but also leaving a lasting impact on diverse sectors. From revolutionizing rail transportation with its locally designed and engineered Scott Transformers for the Vande Bharat Express to enabling digitalization and optimization of assets through its TXpert™ Ecosystem, the Company is continuously pushing the boundaries of what is possible.

Expanding horizons

Mumbai HVDC

By securing a major order from one of India's largest players in the energy landscape for a high-voltage direct current (HVDC) transmission system, Hitachi Energy India is spearheading the advancement of power transmission technology in India. This transformative project, linking Kudus to Mumbai, not only addresses the city's soaring electricity demands but also serves as a crucial step towards achieving Mumbai's ambitious goal of becoming the first carbon-neutral city in South Asia. This is the first HVDC city-infeed order secured by Hitachi Energy in the world.

ENOC

Hitachi Energy India has been awarded the prestigious Energy Network Operations Center (ENOC) project by the electric power transmission branch of an Indian conglomerate. This collaboration aims to achieve technological advancements in operation and maintenance practices through the establishment of two control centers and 29 substations. This ENOC utilizes cloud-based platforms, machine learning, drones, and geospatial technologies to monitor project progress, manage assets digitally, and conduct surveys. Leveraging Hitachi Energy's MicroSCADA X automation platform, the ENOC will provide real-time monitoring, control, and protection of critical power assets, maximizing grid efficiency and minimizing disruptions.

Message from Chairman and MD & CEO

Illuminating India's path to a renewable future

Achim Michael Braun
Chairman

N. Venu
MD & CEO

Dear Shareholders,

As we look to the future, the pursuit of decarbonization has become an integral goal of the global economy. We are pleased to provide you with an update on Hitachi Energy India's progress and the exciting opportunities that lie ahead in India's renewable energy sector.

The commitment to a sustainable future has led to significant progress in the renewable energy sector. Efforts such as the launch of green hydrogen initiatives demonstrate the ambition to lead in clean energy production. Companies equipped with expertise in renewable technologies, like Hitachi Energy India, actively support the transition by leveraging renewable sources such as wind and solar power.

The government is accelerating the shift to non-fossil fuel-based electricity, with targets for increasing renewable energy capacity and promoting electric vehicles. As industries expand along with the nation, the need for a reliable and sustainable power supply to meet the increasing demand is more crucial now than ever.

Well positioned to capitalize

Hitachi Energy India is well-positioned to seize significant opportunities in the evolving Indian energy landscape. As the nation moves towards a sustainable future, our expertise and commitment to innovation place us at the forefront of key growth areas.

- Renewable energy market: India's renewable energy market is set for exponential growth, with solar and wind capacity expected to multiply by five and three times, respectively. Hitachi Energy India is ready to capitalize on this momentum by offering a range of solutions, including energy management automation, evacuation systems, and transformers. The Company has established presence and capabilities uniquely position us to support the country's ambitious renewable energy targets.

- Data centre market: The data centre market in India is on a rapid expansion trajectory, with plans to add 45 new data centres in the coming years. Hitachi Energy India is ready to meet the increasing demand for reliable and sustainable power solutions in this sector. The Company's offerings, such as substations, GIS, automation, and transformers, align perfectly with the requirements of data centre operators.

- Electrification of Indian Railways: With Indian Railways undergoing a massive upgrade and electrification initiative, Hitachi Energy India has a tremendous opportunity to contribute. As a long-term partner, we can provide the necessary products and services for this transformation. The electrification drive, combined with the adoption of energy-efficient systems, opens avenues for our solutions in high-density corridors and other rail infrastructure projects.

- Service portfolio expansion: Hitachi Energy India's extensive installed base in India provides a solid foundation to expand its service portfolio. With offerings ranging from digitalized classic services to advanced services and servitized solutions, the Company aims to increase its share of service orders.

- Leveraging export potential: Hitachi Energy India's manufacturing capabilities enable us to leverage the export market effectively. With a quarter of your Company's orders currently being exports-led, the Company is committed to further developing this trend. By capitalizing on its manufacturing muscle and expanding its reach, Hitachi Energy India can tap into new markets and drive growth.

Surpassing targets

In 2019, when Hitachi Energy India's standalone operations began, the team set itself formidable target of achieving ₹ 7,000 crores in orders within three years. We are proud to report that by the end of FY 2022-23, the Company's total orders have reached ₹ 6,817 crores. It is worth noting that this goal was set before the unexpected and unprecedented disruption caused by the global pandemic, which impacted lives, supply chains, and the economy.

Sustainability at heart

Our employees are the cornerstone of Hitachi Energy India's success, and the Company continues to attract top talent by fostering a diverse and inclusive culture that offers abundant opportunities for career growth. By launching innovative employer branding programs and providing avenues for continuous learning, the Company has created a culture of lifelong learning and adaptation, crucial in today's volatile and complex market environment.

Throughout the challenging times of the pandemic, the Company stood strong and ensured the safety and well-being of its employees. Despite the difficulties, your Company grew its operations while maintaining strict protocols to protect everyone. The Company went the extra mile in organizing vaccination drives and offering support to those affected by the pandemic, ensuring that its employees and their families received the care they needed.

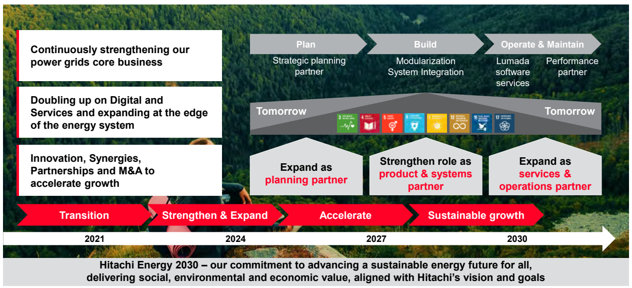
As the Company navigated the new territory of remote work, it recognized the impact it had on its employees' health. Hence organized webinars and training sessions on well-being, ergonomics, and building resilience. Safety, integrity, and quality have always been our license to operate and your Company has continued to prioritize them by conducting regular training and awareness programs to create a secure and supportive working environment for all.

Your Company is committed to reducing our carbon footprint and having achieved 100 percent fossil-free electricity consumption in our facilities last year. In FY 2022-23 the Company achieved a 45 percent reduction in carbon footprint since the inception of the Sustainability 2030 program. Energy assessments and efficiency transformations are underway, and we are adopting smart metering and sustainable practices.

In conclusion

Hitachi Energy India's strong foundation, combined with its strategic focus on key growth areas, positions itself to harness these opportunities successfully. By continuing to collaborate with stakeholders, innovate relentlessly, and deliver sustainable solutions, we will shape the future of the energy sector and create long-term value for our stakeholders.

Hitachi Energy 2030: Purpose driven growth



On behalf of Hitachi Energy India we would like to express our deepest gratitude to its esteemed shareholders, investors, and dedicated employees. Your unwavering support, trust, and commitment have been instrumental in propelling the Company's journey towards a sustainable and prosperous future.

Together, we will contribute to India's growth story by providing industry-leading experience, domain knowledge, and pioneering technologies to accelerate the global energy transition.

Sincerely,
for **Hitachi Energy India Limited**
(formerly known as ABB Products and Systems India Limited)

Achim Michael Braun	**N. Venu**
Chairman	MD & CEO

Progressing with purpose

Hitachi Energy India is proud to have placed sustainability at the core of its mission, with a firm promise to lead the way toward a sustainable future for everyone. The company's strategic plan, Sustainability 2030, outlines its key priorities and commitments toward conducting business sustainably and responsibly.

Sustainability 2030 focuses on four key areas - Planet, People, Peace, and Partnerships - with corresponding targets that align closely with the United Nation's Sustainable Development Goals (UN SDGs). The Company aims to create social, environmental, and economic value that benefits stakeholders and the planet as a whole while setting a high industry standard and working towards a brighter and more sustainable future.

Energy system 2050

Toward a vision of net zero emissions

Accelerating the transition to a carbon-neutral energy system necessitates the adaptation and adoption of policies and regulations to enable technology, as well as new business models to support scalable, flexible, and secure energy systems.

Improved

Energy efficiency

with electrification

60%

Surge in CO_2 emission since the United Nations Framework Convention on Climate Change in 1992

All market sectors

Are moving towards electrification

Energy sector-coupling

is beneficial for the environment and the energy production

Massive energy transition challenges

Digital and energy platforms are needed to manage the enormous power system energy transition challenges:

- Increased complexity
- Additional capacity for CO_2 reduction

Sustainability

Sustainability 2030 goals

Hitachi Energy India's commitment to sustainability extends beyond its innovative projects and technologies. The Company recognizes the vital role it plays in enabling sustainable operations. Lowering the carbon footprint, product localization, and digitalization of the grid has become the key pillars of Hitachi Energy India's success in driving sustainability.

In line with its global vision, Hitachi Energy India announced ambitious 2030 carbon-neutral goals, outlining a clear roadmap for its operations in India. To achieve these targets, the Company adopted a comprehensive approach, combining grassroots efforts with top-down strategies to meet the urgent demands of a carbon-neutral future.

Furthermore, the Company revolutionized its approach to sourcing green electricity, transitioning from a mix that included renewable energy certificates to one predominantly led by clean power sourced from generators. Embracing solar energy, Hitachi Energy India implemented rooftop solar generation in select locations and adopted off-grid solar power for its project site offices, significantly reducing reliance on polluting diesel consumption.

With a firm commitment to Health, Safety and Environment (HSE) and carbon neutrality, and renewable energy integration, Hitachi Energy India is setting new standards and inspiring positive change within the industry.

Planet

Carbon-neutral

In our own operations[1]

50%

Reduction of CO_2 equivalent emissions[2] along the value chain

50%

Reduction of waste disposed[3]

25%

Reduction of freshwater use[3]

25%

Reduction of hazardous substances and chemicals[4]

[1] Minimal use of carbon offsets
[2] 2019 baseline
[3] 2019 baseline
[4] 2022 baseline

Contribution to UN Sustainable Developmental Goals

Hitachi Energy India is dedicated to achieving carbon neutrality by 2030 and has already taken significant steps towards this goal. The Company has successfully reached its first target of using 100 percent fossil-free electricity in operations, reducing CO_2 equivalent emissions by over 45% compared to 2019. By investing in projects like solar roof panels, green tariffs, Energy Attribute Certificates, and Power Purchase Agreements, Hitachi Energy India has made remarkable progress in increasing energy efficiency and electrifying operations.

To further reduce its carbon footprint, Hitachi Energy India has replaced diesel with Compressed Natural gas (CNG) and invested in solar installations, particularly in Maneja. These initiatives not only contribute to cleaner energy alternatives but also diversify the company's power sourcing options. In addition, the Company has implemented smart metering across its facilities, enabling close monitoring and optimization of energy consumption. By embracing advanced metering technology, the company enhances energy efficiency, leading to more sustainable operations and a reduced environmental impact.

Peace

Zero
incidents of corruption and bribery

Contribution to UN SDG

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

The Company's action converges promoting peaceful, inclusive, and sustainable societies. It places utmost importance on safety, integrity, and quality, which form the foundation of its operational license. During FY 2022-23, Hitachi Energy India took a significant step forward by adopting a new Code of Ethics and Business Conduct. This comprehensive framework establishes a set of rules and principles that serve as a compass for decision-making and actions throughout the organization and reflects Hitachi Energy India's unwavering commitment to uphold its Identity and Values, fostering a culture of integrity and responsible business practices.

Partnerships

Increase
Involvement in partnership with varied stakeholders

Contribution to UN SDG

17 PARTNERSHIPS FOR THE GOALS

The Company recognizes that energy transition requires strong collaboration and is committed to being the partner of choice for a sustainable energy future. The Company strengthened its partnership with NIT Warangal by establishing a smart electric grid lab for students.

Soon, the Company plans to launch the Central Monitoring and Analytics Center at IIT Roorkee, offering students the opportunity to learn, explore, and enhance the ongoing smart city pilot program at the institute.

People

Zero harm

Encouraging employees to stay healthy – physically and mentally

Life-long

Augmenting career development and ownership through learning culture

Top quartile

Declining health absence rates

Up to 10%

Increase gender diversity by 2025

Contribution to UN SDGs

The Company is committed to deliver meaningful employee experiences, empowering its exceptional workforce to thrive and contribute their best every day. Through the Diversity 360 promise, the Company attracts and develops top talent for sustainable and profitable growth.

As a critical infrastructure provider, the Company takes pride in its passionate and committed employees who are driving the sustainable energy future. It prioritizes creating safe working environments, ensuring business continuity and effectiveness in the modern world. The Company's safety focus includes rigorous risk assessments and training, aiming for zero harm by 2030 and top-quartile health absence rates.

The Company partners with educational institutions, mentors and sponsors diverse talents, and integrates learning and growth into people leadership. Diversity and inclusion are central to the Company's practices and policies, fostering female acceleration through global platforms, internal talent development, and the Female Talent Development Programme. The Company aims to increase female diversity to nearly 10 percent by 2025. By embracing diverse perspectives and fostering collaboration, the Company believes it can drive innovation and deliver sustainable solutions for the energy transition's shared challenges.

Diversity, Equality, and Inclusion

Diversity 360

Hitachi Energy, despite having the combined heritage of 150 years between ABB and Hitachi, considers itself a young, standalone company. To deliver brilliant employee experiences, the Company launched Diversity 360 as its vision for a new mindset, stronger culture, and a new way of working. This initiative aims to empower its extraordinary employees at Hitachi Energy by placing them at the center of everything the Company does. Diversity 360 comprises four workstreams: i) the Leadership Pillars, ii) Female Acceleration, iii) Live Diversity and Inclusion, iv) Attract and Grow Talent. All employee programs and initiatives are interconnected with Diversity 360.

Hitachi Energy India adheres to the broader framework of Diversity 360, with a particular emphasis on gender diversity. It has set a goal to increase its gender diversity ratio to 8-10 percent by 2025, from the current 7 percent in FY 2022-23. Various initiatives have been launched to attract women based on merit. Alongside recruitment drives, Hitachi Energy India offers INITIATE, a platform designed for women who have taken a career break to resume their professional aspirations.

The Company has revamped its policies to promote diversity and create an employee-friendly environment.

What we believe:

Diversity + Collaboration = Great Innovation

Diversity is our differentiator

Hitachi Energy India acknowledges that the challenges faced today surpass the capabilities of any single company, team, or individual. The Company holds the belief that true innovation arises from collaboration with colleagues from diverse backgrounds. Hitachi Energy India understands the importance of talented individuals with different perspectives, as they bring fresh ideas, challenge conventional thinking, and offer unique viewpoints that promote growth.

By cultivating an inclusive and welcoming environment that facilitates connections among colleagues worldwide, Hitachi Energy India aims to harness the full potential of diverse perspectives. This is essential for shaping the future through effective teamwork and generating truly impactful innovation.

Key focus areas

- Philosophy of Diversity 360
- Diversity of thoughts and inclusion
- Increase in gender diversity, wellness strategy, and adapting to differences in work culture in the new world
- Employee well-being and workforce safety
- Implementing processes to create a more diverse and an inclusive workplace

Celebrating diversity

Hitachi Energy India prioritizes diversity and inclusion to drive business success, with a current gender diversity rate of 7 percent in FY 2022-23. Through the implementation of Diversity 360, the Company focuses on four key workstreams. The first workstream embeds D&I strategies into daily practices, policies, and leadership decisions, involving employees in defining future leadership needs. The second workstream aims to increase gender diversity to nearly 10 percent by 2025, improving representation in middle management and top leadership positions through enhanced talent attraction and development programs. The third workstream fosters a culture of collaboration and inclusiveness through the SPECTRUM forum, promoting accountability and conducting awareness programs on unconscious bias. The fourth workstream concentrates on attracting and growing talent, revising attraction policies, and providing opportunities for internal talent growth and development. Hitachi Energy India maintains a strong commitment to integrity and internal control systems.

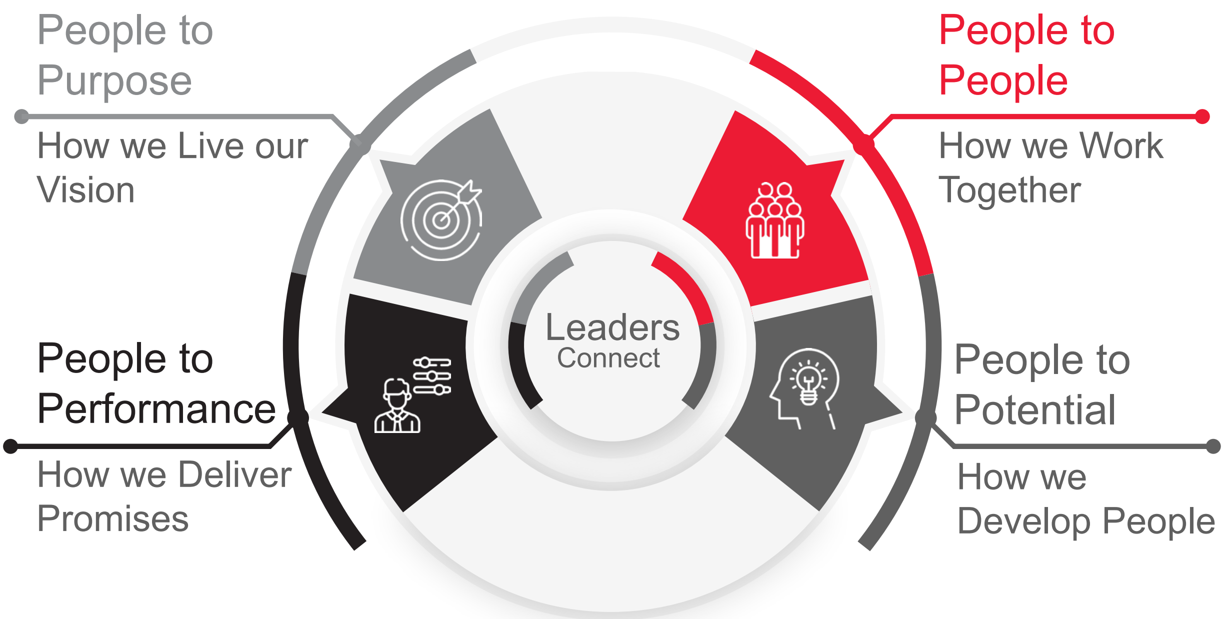
Embracing the power of differences

Our leadership pillars

Under the Diversity 360 approach, Hitachi Energy India has implemented people-focused initiatives. This includes the India Leadership Forum, revamped policies (SMART and WeCare), and sponsorship for higher education. Development journeys support new leaders, while global programs and partnerships with Hitachi Academy provide learning opportunities. Talent pools benefit high-potential employees, and programs like Power+, Power[2], and PowerSTART attract young talent.

Attract and grow talent

At Hitachi Energy India, it engages with its employees in a life-long learning culture. The Company empowered its employees to acquire new knowledge and develop essential skills with digital platforms like Percipio, which helped employees to learn 5,500+ courses. The Company believes in building a learning ecosystem to share knowledge by organizing events, which brought 3,000+ employees together on the same platform to share knowledge on various topics of learning and upskilling based on priority. This approach with platforms empowering and connecting employees with self-paced digital learning helps the Company to build its talent pool.



Live diversity and inclusion

At Hitachi Energy India, diversity and inclusion are key to our success. Our 'Live Diversity and Inclusion' pillar fosters a collaborative and inclusive workplace culture. Led by passionate employees, SPECTRUM, a voluntary forum, drives inclusion initiatives with the support of DEI teams, business leaders, HR professionals, and interested employees. SPECTRUM organizes diverse programs, Diversity Councils, brown bag lunches, town hall meetings, and engagement activities. We prioritize employee well-being through monthly webinars, counseling services, health talk sessions, and on-site medical staff. We maintain a 'zero-tolerance' stance on sexual harassment under the POSH Policy, providing a safe work environment and effective resolution for all employees in Hitachi Energy India and its affiliated entities.

Female acceleration

Hitachi Energy India prioritizes leadership at all levels, aiming at 25 percent women managers and 40 percent women early career hires. Diversity Equity and Inclusion are integrated into practices including empowering and flexible working. Global and Asia Women Networks promote dialogue and diversity celebration. In India, gender diversity reached 7 percent in FY 2022-23, with initiatives to increase women in talent pipelines. The Female Talent Development Programme is specifically designed to foster and cultivate the potential of women in mid-management. The program recognizes the importance of empowering women and aims to provide them with the necessary tools, resources, and opportunities to excel in their professional careers.

Women in engineering

Encouraging and empowering women

Under its Corporate Social Responsibility initiatives, Hitachi Energy India is driving the 'Women in the Engineering program to promote gender equality and empower women in the engineering workforce, thereby increasing diversity and inclusion. The program was launched in 2020 and will run for multiple years, targeting 80 girl students. Hitachi Energy India has partnered with Sikshana Foundation for this initiative. The program identifies girl students pursuing undergraduate engineering courses from economically disadvantaged families and provides them with a laptop, scholarship, soft-skill training, career planning mentoring, industry visits, and interactive sessions with senior management. The program aims to create an environment of employability and summer training opportunities for some students.

Furthermore, Hitachi Energy India is now working on the second batch of 120 students, encouraging young girls from rural India to pursue studies in core engineering by creating a conducive environment for them in families and communities and empowering them to make decisions based on their interests. The Company plans to launch similar programs in the future, continuing its commitment to promoting gender equality and creating a sustainable energy future for all.

In addition, Hitachi Energy India demonstrates its commitment towards gender equality and women empowerment by sponsoring a summer camp at the prestigious Indian Institute of Science (IISc) for the students participating in the program. The summer camp provides a unique opportunity for these young girls to engage in hands-on learning experiences, explore the world of science and engineering, and further develop their skills and passion in a supportive and inspiring environment.

Events and awards

Achievements in the spotlight

Golden Peacock Award for Corporate Governance

Hitachi Energy India's unwavering commitment to exemplary corporate governance practices was recognized with the prestigious Golden Peacock Award. This esteemed accolade serves as a testament to the company's unwavering dedication to upholding the highest standards of transparency, integrity, and ethical conduct in its business operations.

Most Trusted Brands of India by Marksmen Group

Hitachi Energy India's commitment to delivering exceptional products and services, coupled with its strong brand reputation, has earned the company the esteemed title of "Most Trusted Brands of India" by the renowned Marksmen Group. This prestigious recognition showcases Hitachi Energy India's dedication to building trust, reliability, and customer satisfaction in the Indian market.

Events and awards

A year of impactful engagements

Events

ELECRAMA

The company participated at ELECRAMA 2023, for the first time as Hitachi Energy India. The Company showcased its cutting-edge technologies and solutions, garnering an exceptional response from the attendees. Its booth received a tremendous influx of visitors, with over 1,000 high-quality walk-ins expressing keen interest in exploring Hitachi Energy India's offerings.

Innorail

Hitachi Energy India actively participated in Innorail 2022, a dynamic event filled with valuable insights, engaging discussions, and innovative technologies. The conference provided an excellent platform for industry leaders, experts, and stakeholders to come together and explore potential avenues of collaboration. With a shared focus on advancing towards a sustainable energy future, Innorail 2022 offered a valuable opportunity for Hitachi Energy India to showcase its expertise, exchange knowledge, and contribute to the collective efforts aimed at shaping the future of rail and sustainable transportation.

ISUW

Hitachi Energy India played a pivotal role in addressing the emerging opportunities and challenges associated with the energy transition at the prestigious India Smart Utility Week (ISUW) 2022. Organized by the India Smart Grid Forum (ISGF), ISUW brought together leading industry experts, policymakers, and utility professionals to discuss and showcase innovative solutions for building smart, sustainable, and efficient energy systems.

Board of Directors

Leading with vision

At Hitachi Energy India, we are dedicated to spearheading ground-breaking advancements that foster positive transformations. Our esteemed Board of Directors comprises a diverse group of seasoned leaders, each contributing their distinct expertise and perspectives. With their combined wisdom, strategic guidance, and unwavering commitment to excellence, they play a pivotal role in shaping our Company's trajectory as the vanguard in delivering innovative, dependable, and sustainable energy solutions.

Achim Michael Braun
Chairman

N. Venu
Managing Director & CEO

Ismo Antero Haka
Director

Akila Krishnakumar
Independent Director

Mukesh Hari Butani
Independent Director

Meena Ganesh
Independent Director

Country Management Committee

Confident leadership, purposeful direction

Hitachi Energy India has promising leadership pillars that provide purposeful direction, creating connections among people that promote their potential, enhance performance and achieve a purpose-driven growth.

From left to right (standing)

- Poovanna Ammatanda, General Counsel and Company Secretary
- Akilur Rahman, Chief Technology Officer
- Karthik Krishnamurthi, Head of Sales and Marketing
- Ajay Singh, Chief Financial Officer
- Ahmad Khan, Senior Vice President, Grid Automation
- Atul Pandit, Senior Vice President, Transformers

From left to right (sitting)

- R Gnanaprakash, Country HR Director (Ad interim)
- Manashwi Banerjee, Head of Communications
- Ramkumar D, Senior Vice President, Grid Power Quality Solutions
- N Venu, Managing Director & CEO
- Rakesh Dwivedi, Senior Vice President, High Voltage Products
- Saji S, Senior Vice President, High Voltage Direct Current

Company Information

Board of Directors
Achim Michael Braun, Chairman
Nuguri Venu, Managing Director and CEO
Ismo Antero Haka, Director
Akila Krishnakumar, Independent Director
Mukesh Hari Butani, Independent Director
Meena Ganesh, Independent Director

Audit Committee
Mukesh Hari Butani, Chairperson
Akila Krishnakumar, Member
Meena Ganesh, Member
Nuguri Venu, Member

Stakeholders' Relationship Committee
Meena Ganesh, Chairperson
Mukesh Hari Butani, Member
Nuguri Venu, Member
Ismo Antero Haka, Member

Nomination and Remuneration Committee
Akila Krishnakumar, Chairperson
Mukesh Hari Butani, Member
Achim Michael Braun, Member

Corporate Social Responsibility Committee
Akila Krishnakumar, Chairperson
Achim Michael Braun, Member
Nuguri Venu, Member

Risk Management Committee
Mukesh Hari Butani, Chairman
Meena Ganesh, Member
Ismo Antero Haka, Member
Nuguri Venu, Member
Ajay Singh, Member

Environment, Social and Governance Committee
Meena Ganesh, Chairperson
Akila Krishnakumar, Member
Achim Michael Braun, Member
Nuguri Venu, Member

Statutory Auditors
M/s. S.R. Batliboi & Associates LLP
Chartered Accountants, 12th Floor,
UB City, Canberra Block,
No 24, Vittal Mallya Road,
Bengaluru - 560 001

Chief Financial Officer
Ajay Singh

General Counsel, Company Secretary and Compliance Officer
Poovanna Ammatanda

Cost Auditors
M/s. Ashwin Solanki & Associates
Cost Accountant
801-802, Goyal Trade Center,
Above Sona Cinema, Shantivan,
Near National Park, Borivali (East),
Mumbai - 400 066

Secretarial Auditors
M/s. BMP & Co. LLP
Company Secretaries 4272, Sapthagiri,
2nd Floor, Vivekananda Park
Road, Near Seetha Circle,
Girinagar, Bengaluru - 560 085

Registered Office
8th Floor, Brigade Opus, 70/401,
Kodigehalli Main Road,
Bengaluru -560 092

Registrar and Share Transfer Agents
KFin Technologies Limited
Unit: Hitachi Energy India Limited
(formerly known as ABB Power Products and Systems India Limited)
Selenium, Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032

Bankers
Axis Bank Limited
Bank of America, N.A.
Bank of Bhutan Limited
Deutsche Bank AG
HDFC Bank Limited
ICICI Bank Limited
JP Morgan Chase Bank, N.A.
Standard Chartered Bank
State Bank of India
The Hongkong and Shanghai Banking Corporation Limited
Kotak Mahindra Bank Limited

Corporate Identity Number
L31904KA2019PLC121597

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

1. Details of the listed entity

	Particulars	Response
1.	Corporate Identity Number (CIN) of the Listed Entity	L31904KA2019PLC121597
2.	Name of the Listed Entity	Hitachi Energy India Limited (Formerly known as ABB Power Products and Systems India Limited)
3.	Year of incorporation	2019 (February 19, 2019)
4.	Registered office address	8th Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru-560092
5.	Corporate address	8th Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru-560092
6.	E-mail	investors@hitachienergy.com (For investors) poovanna.ammatanda@hitachienergy.com (email id of Compliance Officer and Nodal Officer)
7.	Telephone	080-68473700
8.	Website	https://www.hitachienergy.com/in/en
9.	Financial year for which reporting is being done	FY 2022-23 (April 01, 2022 to March 31, 2023)
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	₹ 8,47,63,350 divided into 4,23,81,675 Equity shares of ₹ 2 each
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mukesh Arora (Telephone: 080-68473719) Email: mukesh.arora1@hitachienergy.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which forms a part of its consolidated financial statements, taken together).	Standalone basis (Consolidated reporting is not applicable)

2. Products/ services

14. Details of business activities (accounting for 90 percent of the entity's turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
I	Sale of products	Design, manufacturing/configuration & supply of system, equipment, devices and accessories products	79 %
II	Execution of contracts for projects and services	Project and service engineering, installation, commissioning and support	15.9 %

15. Products / Services sold by the entity (accounting for 90 percent of the entity's turnover):

S. No.	Product / Service	NIC Code	% of total Turnover contributed
I	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	271	79 %
II	Projects and services of related manufactured electrical equipment.	279	15.9 %

3. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	8[1]	11[2]	19
International	-	3	3

[1] 8 manufacturing locations that contain 19 factories

[2] 11 sales offices and 7 sales touch points across India

17. **Markets served by the entity:**

a. **Number of locations**

Locations	Number
National (No. of States)	All states & Union Territories
International (No. of Countries)	70+ countries

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

26.6 percent

c. **A brief on types of customers**

The Company serves a wide range of customers – Public & Private Power & Energy Utilities, Industries, Transportation, and Infrastructure companies. These include EPCs (Engineering, Procurement & Construction) & OEMs (Original Equipment Manufacturer) operating in the above segments.

4. Employees

18. **Details as at the end of the Financial Year:**

a. **Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
I	Permanent (D)	1765	1614	91%	151	9%
II	Other than Permanent (E)	64	44	69%	20	31%
III	**Total employees (D + E)**	1829	1658	91%	171	9%
	WORKERS					
IV	Permanent (F)	558	554	99%	4	1%
V	Other than Permanent (G)	552	521	94%	31	6%
VI	**Total employees (F + G)**	1110	1075	97%	35	3%

b. **Differently abled employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
I	Permanent (D)	1	1	100%	0	0
II	Other than Permanent (E)	0	0	0	0	0
III	**Total employees (D + E)**	1	1	100%	0	0
	DIFFERENTLY ABLED WORKERS					
IV	Permanent (F)	9	8	89%	1	11%
V	Other than Permanent (G)	0	0	0	0	0
VI	**Total employees (F + G)**	9	8	89%	1	11%

19. **Participation / Inclusion / Representation of women**

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	**2**	**33**
Key Management Personnel	3	**0**	**0**

20. **Turnover rate for permanent employees and workers**
(Disclose trends for the past 3 years)

Particulars	Turnover rate in the current FY								
	FY 2022-23 April 2022 and Mar 2023			FP 2021-22 Jan 2021 and Mar 2022			FY 2020 Jan 2020 - Dec 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.2%	21.02%	12.0%	9.1%	13.8%	9.4%	4.8%	7.1%	5.0%
Permanent Workers	0.2%	0.0%	0.2%	4.1%	20.0%	4.2%	3.9%	0.0%	3.9%

5. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/ subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by the listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
I	Hitachi Energy Ltd (formerly known as Hitachi ABB Power Grids Ltd)	Holding	75%	No
II	ABB Asea Brown Boveri Ltd	Holding	NIL	No
III	ABB Ltd	Holding	NIL	No
IV	ABB Switzerland Ltd	Holding	NIL	No

6. CSR Details

22. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes / No) - Yes

(ii) Turnover (in ₹): 4,483.65 Crores (As on March 31, 2023)

(iii) Net worth (in ₹): 1,215.31 Crores (As on March 31, 2023)

7. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom the complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for the grievance redress policy)	April 1, 2022 - March 31, 2023 Current Financial Year			Jan 1, 2021 – March 31, 2022 Previous Financial Period		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes https://www.hitachienergy.com/in/en/contact-us	NIL	NIL		NIL	NIL	
Investors (other than shareholder)	NA	NA	NA	NA	NA	NA	NA
Shareholders	https://scores.gov.in/scores/Welcome.html	3	NIL	NIL	12	NIL	NIL
Employees and workers		0	0		0	0	
Customers		523	83		763	91	
Value Chain Partners		NA	NA		NA	NA	
Others (please specify)		NA	NA		NA	NA	

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
I	Safe, healthy, and secure operations	Risk	Control of hazards and risks at workplace(s) by implementing controls effectively to ensure these hazards and risks do not cause harm to employees and workers.	Safety is our licence to operate. Fostering safe working environments to protect our people, preserve business continuity and operate effectively in our modern world. HSE Management system has been implemented as per ISO 14001 & 45001 and certified.	Negative

II	Climate change and carbon neutrality	Opportunity	Energy efficiency, increasing use of non-fossil fuel, use of renewable energy, efficient use of water and recycling of materials.	NA	Positive
III	Resource efficiency and circular economy	Opportunity	Reducing the use of resources through circular economy. Opportunity to minimize the use of water, materials, pollution, and waste in our operations and throughout the life cycle of our solutions through a circular mindset.	NA	Positive
IV	Sustainable products, services, and solutions	Opportunity	Increasing digitalization to extend the life cycle of our solutions.	NA	Positive
V	Responsible Sourcing	Risk	Managing sourcing of materials across the supply chain and complying with regulatory and customer requirements regarding the prohibition and restriction of substances, including hazardous substances and responsible sourcing of conflict minerals.	Integrating sustainable practices into supply chain procedures. Follow the OECD (Organization for Economic Co-operation and Development) due diligence guidance and be involved in relevant trade associations in order to define and improve best practices and encourage responsible sourcing.	Negative
VI	Well-being of employees	Opportunity	Health is top priority and needs to be lived everywhere, well beyond the walls of our home, offices, and factories. The Company provides training to all employees in resilience. The Company prepares for the new norms by “powering the way it works”. The Company prioritizes health and well-being in all sites and makes the healthy choice, the easy choice.	NA	Positive
VII	Diversity	Opportunity	The Company believes in integrating diversity and inclusion into all our practices and policies and foster female acceleration through our Female Talent Development Program. The Company’s sustainability 2030 targets include increasing female diversity from 5.8 percent to 8-10 percent by 2025.	NA	Positive
VIII	Human Rights and labor conditions	Risk	Identification, evaluation and managing Human Rights risks in its operation and supply chain and its consequences.	Human Rights policy and control standard is in place to evaluate Human Rights risks at all levels of operations. Supplier Sustainability Development Program (SSDP) is a supplier engagement initiative, to uphold human rights and decent working conditions.	Negative
IX	Integrity and anti-corruption	Risk	Hitachi Energy behaves in an ethical, legal and responsible way. Lack of adherence can have consequences i.e. reputational damage with the top line adverse effect; unattractive employer for top talent; regulatory fines and penalties etc.	Hitachi Energy India has has a very stringent policy on integrity that applies to all. The Hitachi Energy Code of Conduct provides a framework for employees and stakeholders to put business principles into practice with utmost integrity. The Company regularly evaluates culture of integrity, and non-compliance is strictly acted upon.	Negative
X	Developing our people	Opportunity	Cultivating life-long learning and creating inclusive learning opportunities, the Company fosters innovation.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
I. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes, few of the policies have been approved by the Board and other policies of Hitachi Energy Group are adopted by the Company.								
c. Web Link of the Policies, if available	Please refer to the section on 'Links to the Company Policies and Programs' section at the end of this Report.								
II. Whether the entity has translated the policy into procedures. (Yes / No)	Yes.								
III. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the policies are available to value chain partners through the Company's web page.								
IV. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The following management systems have been implemented. ISO 9001: 2015 Quality Management System ISO 14001: 2015 Environment Management System ISO 45001: 2018 Occupational Health & Safety Management System.								
V. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Sustainability 2030 is a strategic plan for sustainability where Hitachi Energy summarizes the main commitments to act and drive business in a sustainable way. Based around four pillars: Planet, People, Peace and Partnerships, our strategy draws from the UN's Sustainable Development Goals (SDGs), where each pillar has corresponding targets that drives its business to contribute social, environmental and economic value.								
VI. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	By 2030, the Company aims to achieve carbon-neutrality in its own operations. The Company is targeting to reduce carbon emissions by 50% along the value chain. The Company continues the use of 100% fossil-free electricity in its own operations. The Company has reduced more than 42% of carbon emission as compared to previous year.								

Governance, leadership and oversight

VII. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements *(listed entity has flexibility regarding the placement of this disclosure)*

Hitachi Energy has placed sustainability at the heart of its purpose. The Company has a committee on Environment, Social and Governance (ESG) with an objective to assist the Board of Directors of the Company in fulfilling its oversight responsibilities in relation to the Hitachi Energy's objectives, policies, and practices pertaining to ESG. The committee oversees the effectiveness of sustainability programs and provides inputs related to matters of ESG and corporate responsibility.

A sustainability plan aligned with a net-zero emissions future is integral to its business, growth and long-term success. Through Sustainability 2030, Hitachi Energy has defined its strategy, which combines innovative solutions with a diverse and inclusive Company culture, to contribute to a more sustainable society – aligned with the UN's Sustainable Development Goals (SDGs). Now is the time for all stakeholders to collaborate and solve the challenges of its time. Together with its customers and partners, the Company is co-creating and deploying flexible and resilient energy systems at scale, which are sustainable, efficient, safe and secure.

The Company's ESG targets are aligned with the four pillars of Sustainability 2030 plan: Planet, People, Peace and Partnerships.

ESG targets

Environment	**Planet** Carbon-neutral in our own operations ↓ 50% CO_2 emissions along the value chain ↓ 50% waste disposed ↓ 25% freshwater use ↓ 25% hazardous substances and chemicals
Social, Governance	**People** • Zero harm • Top quartile health absence rates • Life-long learning culture • Increase female diversity from 5.8% in 2019 to 8-10% by 2025 t0 16-18% by 2030 **Peace** • Zero incidents of corruption and bribery **Partnerships** • Increase involvement in multi-stakeholder partnerships

To achieve carbon-neutrality in its own operations, first step is to invest in fossil-free electricity and energy efficiency, ensuring its facilities are as efficient as possible.

The Company has continued to use 100% fossil-free electricity in its own operations, showing fast progress in achieving its Sustainability 2030 target of becoming carbon-neutral in own operations.

Replacing diesel generators with solar panels to power its site offices is an example of commitment towards carbon-neutral goals across the value chain. As part of a carbon-neutral initiative, the Company has introduced rooftop solar for the electrification of a project site office at 4 more project sites and at its factory in Maneja in this financial year. The Company has switched over to clean piped natural gas from high-speed diesel for ovens & dryers at manufacturing facilities.

VIII. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Nuguri Venu, Managing Director & CEO
IX. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Environmental, Social and Governance (ESG) Committee (constituted w.e.f. October 22, 2021) Composition of Committee: Ms. Nishi Vasudeva* (DIN:03016991) Chairperson of Committee - Independent Director (Non-Executive Director) Ms. Akila Krishnakumar (DIN:06629992) Member of Committee - Independent Director (Non-Executive Director) Mr. Achim Michael Braun (DIN:08596097) Member of the Committee - Non-Executive Director and Chairman of the Company Mr. Nuguri Venu (DIN:07032076) Member of Committee - Executive Director (Managing Director and CEO)

*Ms. Nishi Vasudeva (DIN: 03016991) has resigned from the position of Independent Director and Ms. Meena Ganesh (DIN: 00528252) has been appointed as Additional Director in the capacity of Independent Director of the Company effective from May 24, 2023. Pursuant to this, the Committee has been reconstituted by inducting Ms. Meena Ganesh as Chairperson of the Committee.

X. Details of Review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board / Any other Committee	Frequency (Annually/ Half yearly/ Quarterly / Any other - please specify)
	P1 P2 P3 P4 P5 P6 P7 P8 P9	**P1 P2 P3 P4 P5 P6 P7 P8 P9**
Performance against the above policies and follow up action	Yes	On a need basis
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with all the applicable statutory requirements.	On a need basis

	P1	P2	P3	P4	P5	P6	P7	P8	P9
XI. Has the entity carried out independent Assessment / evaluation of the working of its policies by an external agency? Yes/No. If yes, provide name of agency.	No								

XII. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Not Applicable

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Integrity, transparency and accountability

The Company’s Code of Conduct is the framework that explains the behavior, the Company expects of every employee and stakeholder who work with it. The Company’s Code of Conduct provides a framework to put business principles into practice with utmost integrity. It is a breach of the Company’s Code of Conduct to fail to report a violation or suspected violation that employees know about or to refuse to cooperate with the investigation of a suspected violation. Each employee is responsible for ensuring that his or her conduct and the conduct of anyone reporting to the employee fully comply with all applicable laws and the Company’s Code of Conduct. Hitachi Energy has developed and implemented a systematic approach designed to prevent, detect and resolve any potential integrity concerns. This is supported by tools and processes and a zero-tolerance policy for any violations.

The Company's integrity program has created an environment where all its employees can open about identifying risks, asking questions, and raising concerns. This is in line with the Group using a systematic approach, designed to foster a culture of integrity and compliance. This is carried out through leadership and business accountability, supported by strong tools and processes, and a zero-tolerance policy for violations. As a part of the integrity program, employees of the Company are not just encouraged but are required to speak up and to report any suspected or observed violations of the law, the Company's Code of Conduct, or if they are asked to do something that might be a violation. They are to report on any of their concerns initially to their direct manager or country head of integrity or country human resources manager, or alternatively, through country specific business ethics hotline numbers and e-mail which is routed to the Office of Special Investigations (OSI). The Company's OSI along with the integrity team then work towards investigation, and resolution of issues reported there in. The Company has multiple reporting channels available to all its employees/stakeholders and this includes a business ethics hotline and an email id that is available for employees to report integrity and compliance concerns or seek guidance. There is a web-based reporting system available for employee/ stakeholders reporting (How do I report | Hitachi Energy - https://www.hitachienergy.com/about-us/integrity/reporting-channels/how-do-i-report). All reports received are subjected to appropriate investigation, follow up, and brought to full closure; systematic process and tracking system and the Company enforces a rigorous non-retaliation policy. The Company's Anti-Corruption Policy is stated explicitly in the Corporate Regulations on Bribery and Anti-Corruption and emphasizes key components that are essential for ensuring strict compliance to anti-bribery laws but also refraining from corruption. The Company enforces a rigorous zero-tolerance policy against any involvement in bribery or corruption and has put in place robust policies to prevent bribery such as on gifts, entertainment and expenses, charitable contributions and representatives, and measures to ensure ethical supply chains.

The Company also ensures continuous compliance with competition and antitrust laws. The Company's Code of Conduct requires the Company to compete fairly, safeguard confidential information and be mindful of antitrust risks. The Company's behavior within its teams, with customers, other business partners and in the communities where it operates, are guided by its business principles - respect, responsibility and determination - in compliance with antitrust requirements. The Anti-Trust Guidance Notes aims to address practical business situations and provide rules and guidance for all Company employees on how to conduct themselves in order to comply with antitrust requirements. The Company has an Internal Complaints Committee for the prevention of sexual harassment as a part of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 that aims to provide protection against sexual harassment of women in the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected there with or incidentals thereto. The Company has Internal Complaints Committee at each location and establishments (all locations where more than 10 women are employed).

Essential indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1. (Familiarized at regular intervals, in each board meeting / leadership discussion as specified in the next column)	Independent Directors of the Company at the time of their appointment are familiarized on the Company's Core Values, Code of Conduct including the purpose and the business it operates in. At each meeting of the Board/ Audit Committee, members also deliberate on key integrity matters that helps to reflect and focus on key strategies. As a part of Board, Audit, CSR and ESG, agenda members also discuss various sustainable initiatives of the Company, including regulatory and economic trends in the country. Executive and Non-Executive Directors being part of Hitachi Energy group, also undergo familiarization on various topics like integrity, sustainability, Human Rights, diversity and inclusion etc. at a group leadership level. As a result of all the above awareness, strong brand and governance framework is put in place, which is helping us to become a more focused, successful and value-creating Company.	100%
	1	Hitachi Group Ethics & Compliance training	100%
Key Managerial Personnel	1	Hitachi Group Ethics & Compliance annual e-learning	100%
Employees other than BOD and KMP	1	Hitachi Group Ethics & Compliance annual e-learning	89%
Workers	19	Integrity Training	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

		Monetary			
Particulars	**NGRBC Principle**	**Name of the regulatory / enforcement agencies/ judicial institutions**	**Amount in ₹**	**Brief of the case**	**Has an appeal been preferred? Yes/No**
Penalty/Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
		Non-Monetary			
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Hitachi Energy's Anti-corruption policy is stated explicitly in its Corporate Regulation PGR-LI-02 on Anti-Bribery and Anti-Corruption and emphasizes key components which are essential to ensuring a strict compliance to anti-bribery laws but also refraining from corruption because it's the right thing to do.

https://www.hitachienergy.com/about-us/integrity/commitment

Hitachi Energy Limited is certified for ISO:37001:2016 for Anti-bribery management systems.

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year		Jan 1, 2021 – March 31, 2022 Previous Financial Period	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issue of conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issue of conflict of Interest of the KMPs	NIL	-	NIL	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Supplier Sustainability Development Program (SSDP) is supplier engagement to uphold human rights and decent working conditions, ensure safe and environmentally sound operations and comply with relevant regulatory requirements in supply chain. Sustainable and compliant suppliers reduce risk of disruption and negative brand impact. Additionally, suppliers experience operational benefits like improved on-time delivery, reduced machine breakdown, increased productivity and overall reduction in cost of manufacturing, thus becoming more efficient and effective.

During financial year 2022-23, the Company has trained and assessed 14 high risk supplier partners on SSDP. Additionally, during this period, the Company has trained and developed 7 of its internal people on SSDP, who have been certified by Bureau Veritas as a lead assessor and are able to conduct the supplier assessments independently.

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
	NIL	

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

   Yes, the Company has in place a Code of Conduct for Directors and Senior Management and Company level Code of Conduct and Related party transaction policy to report any conflict of interest beforehand. Further, conflict of interest can also be flagged by any person through whistle blower mechanism.

   There is an Integrity Team to handle any instance of conflict of interest reported related to any employee, Directors and Management and outsiders, if required.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Hitachi Energy India strives to have a life-cycle perspective when managing environmental aspects and impact. This means looking beyond the environmental impact from its own operations to include its supply chain, the use of its products, and the end of their lives. Environmental considerations are constantly made to reduce environmental impact and risks over the lifespan of its solutions. Life-cycle Assessments (LCAs) and risks as well as collaboration with and feedback from customers are used as input for improving the environmental performance of its products, systems, and services.

For decades, sulfur hexafluoride (SF6) has been the norm in the electrification industry due to its excellent insultation and switching capabilities. However, it has high Global Warming Potential (GWP), and its life-cycle management requires careful handling. As part of its commitment to reduce emissions and enable a sustainable energy future, Hitachi Energy has invested in eco-efficient alternative solutions like EconiQ™ and enhanced SF6 life-cycle management striving for zero leaks. The Company will improve SF6 management through the implementation of a new SF6 management standard.

The Company has implemented Environment Management System at all manufacturing & project sites as per ISO 14001:2015 and certified by accredited third party. Environmental impacts are assessed for all processes and mitigation measures are in place.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

   The Company's R&D activities are carried out in the global R&D and technology centers as well as R&D embedded in the local businesses, leveraging its local competence for creating social, environmental, and economic value, globally. Development of new products, features, localized products, and solutions secure as well as create additional revenue with increased number of customer engagements and installed bases.

   The R&D projects are run by Hitachi Energy Switzerland Ltd (which owns intellectual properties and technologies globally) and the Company gets reimbursement of the cost by Hitachi Energy Switzerland Ltd. Therefore, there is no direct expense incurred by the Company on these activities.

   The Company is carrying out production-based R&D with use of Ester Oil against mineral for Transformer which provides including biodegradability, higher flash point, higher thermal conductivity, lower calorific value and higher temperature stability thus making transformers more environmentally friendly.

   The Company has invested in Capex for upgrading and modernizing its production facilities to meet the customer and market needs and support the Company's carbon neutrality program. During the year under review, the Company has completed major capex on upgrading thermic fluid heaters from Diesel to piped natural gas. A project was completed to bring the canal surface water for production facilities to stop extracting the ground water. One of its facilities, Halol switched over to surface water from ground water. This has decreased the water consumption by 15% as surface water is found to be of good quality and has reduced RO plant operations. R&D teams are working on Digitalization of product's use and monitoring.

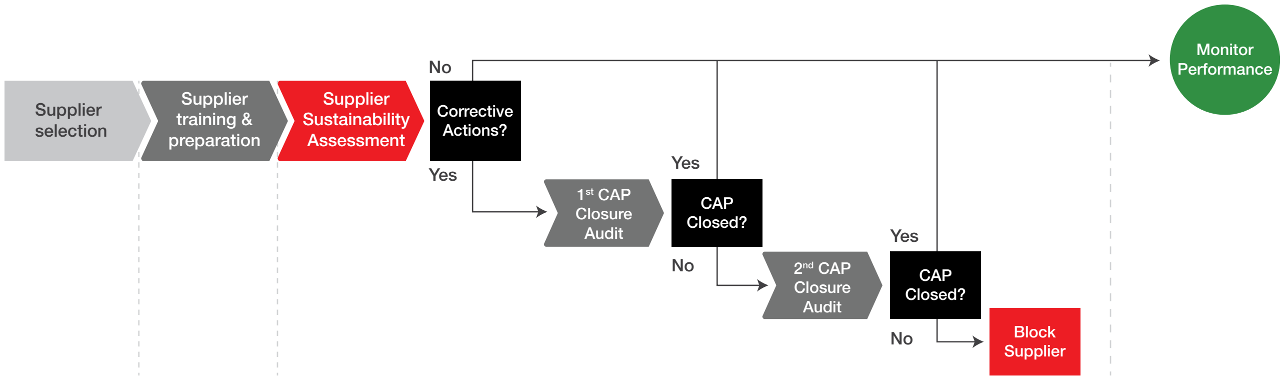
	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period	Details of improvements in environmental and social impacts
R&D	NA	NA	R&D projects are executed by Hitachi Energy Switzerland Ltd and implemented globally
Capex	65,00,000	NA	Switch over from Diesel to PNG and water reduction projects

2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. The Company has set procedures to select suppliers, contractors and service providers based on their competence and capability to undertake tasks and in compliance with the Hitachi Energy Supplier Code of Conduct which includes health & safety, environment, ethics & integrity, human rights, working conditions among others. As a guiding principle, the Company prefers to do business with compliant and sustainable suppliers. The Company has set procedures in place for sustainable transportation as well. At the time of qualifying to become Company's supplier, the vendor is assessed across sustainability matrix.

Supplier Sustainability Development Program (SSDP), Responsible Mineral Sourcing, Produce Material compliance, partnering with EcoVadis to conduct sustainability performance assessments of suppliers and reinforce a sustainable supply chain are some of the measures taken to ensure sustainable sourcing across the business supply chains.

Supplier sustainability development program – Overview



Hitachi Energy power transformer sources the commodity's raw materials from reputed and established global and local suppliers which are engaged in long term business partnership ensuring the sustainability of the raw materials. Hitachi energy Transformer follows global standards 1LAA 000048 and instructions for approving the suppliers for control of hazardous substances / materials and follow corresponding safety guidelines. The Company has established process of securing the yearly volume with close follow up by global commodity supply chain organization across globe.

b. If yes, what percentage of inputs were sourced sustainably?

In transformer business, the major components include transformer oil, electric steel, copper, insulation material which comprises 80% of the total input which are sourced sustainably.

In high voltage products, 100% products are sourced from the suppliers who are sustainable and follow sustainable practices. Suppliers are onboarded only after getting qualified through the Supplier Sustainability Development Program (SSDP). Subsequently, suppliers also undergo assessment from Hitachi Energy.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Hitachi Energy India manufactures the transformer using biodegradable and environmentally friendly material which are recyclable, reusable or disposable with specific processes. Solid insulation made from naturally occurring cellulose are biodegradable as well as recyclable. Electrical Magnetic steel is recycled in multiple electrical applications in industry. Manufacturing processes used for manufacturing transformers are also designed to be safe and environmentally friendly. At the end of the life of the transformer, the qualified 3rd party agencies are involved in handling the transformer components and ensuring the laid down recycling / disposal treatments.

Product manual specifically mentions to follow the local legislation or Hitachi Energy guideline whichever is stringent for disposal of the product. Recovery of SF6 gas is to be done before disposal of the product containing SF6 gas.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Hitachi Energy India is not in business of producing plastic packaging material thus Extended Producer Responsibility (EPR) requirements are not applicable. However, whatever plastic waste that gets generated during manufacturing is collected and disposed off to state pollution control board approved recyclers.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

To understand the environmental impact of its products over their lifecycle, Hitachi Energy has performed LCAs for most of its major products. Hitachi Energy has internal capabilities to do LCAs as per ISO 14040 and ISO 14044.

The LCAs are done and results are owned by Hitachi Energy Switzerland Ltd. The learnings are deployed as improvement.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No). If yes, provide the web-link.
27102	Transformer including Distribution Transformer / Power Transformer and Traction Transformer	80% of transformer business unit	For end user of the product	No	No

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Life-cycle Assessments (LCAs) and risks as well as collaboration with and feedback from customers are used as input for improving the environmental performance of its products, systems, and services.

Manufacturing processes are environment friendly, however the LCA assessment are being done internally and the impacts will be reviewed for social and environmental concerns.

Name of Product / Service	Description of the risk / concern	Action Taken
Transformers including Power / Distribution and Traction transformer	End of life disposal of Product	Decommissioning guidelines prepared
Instrument Transformers	Oil Spillage – Land Contamination / Water Pollution	Preventive maintenance program in place, oil collection trays, spill kit and safe disposal
Circuit Breakers	SF6 Leakage – Global Warming	SF6 Management system with mass balance leakage sensors.
Gas Insulated & Hybrid Switchgear	SF6 Leakage – Global Warming	SF6 Management system with mass balance leakage sensors.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Hitachi Energy India manufactures and delivers transformers to customers and for them, the transformers are large capital assets and high level of product reliability requirements. Hence, the raw material used are prime grade complying with the guaranteed parameters, and therefore Company has limited scope of use of recycled material. However, the Company makes strong efforts to ensure minimum waste of raw material during production. SF6 gas from its products is recovered and reused before the disposal of the product.

Indicate input material	Recycled or re-used input material to total material	
	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
	NA	

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Most of the products are packed in wooden packing cases and delivered at customer site. Few specific materials are packed in plastic and delivered along with wooden packing case. At the site, these become the customer's property, hence disposed by the customer to authorized recycler. Pollution Control Board authorization for the private customers for safe and responsible disposal is checked.

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year			Jan 1, 2021 – March 31, 2022 Previous Financial Period		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NIL	NIL

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

People well-being

The Company continues to attract top talent due to its inclusive culture and the immense opportunities available for nurturing their talent. The people strategy is aligned with the Company's overall ambition to be a pioneering technology leader. This requires a stable work environment in a growing market by maximizing the potential of the Company's workforce. To ensure that the Company continues to attract top talent, multiple employer branding initiatives were launched not limiting to career fairs, recruitment drives, university connect programmes and internship opportunities. During the year, the Company has consistently set a clear path to learn and adapt to perform better in the changing market situation with its enhanced performance management and talent strategy, focusing on building a healthy pipeline by attracting, assessing and developing talent. In addition, persistent attention to provide an inclusive environment to promote diversity in gender, age and culture, including opportunities for global mobility, also form a part of the proactive plan to manage talent in key function areas. The Company's competency has been aligned with the business strategy. The Company recognized exceptional performance and behavior in line with organizational values through its rewards and recognition programme. There was continuous focus on improving the diversity in the workforce throughout the year. A diversity outreach programme was also launched to encourage rehiring of performers who may have left their career for various reasons. The entire approach to wellbeing was based on increasing diversity, promoting inclusion and recognizing performance. Multiple awareness sessions on health and wellbeing were organized in different office locations and factories to create awareness. Annual medical check-ups and camps were set up through the year to promote physical wellbeing.

Career development and opportunities

Keeping a strong focus on talent pipeline development, The Company has embarked on a 'Develop & Grow' journey this year, with the objective of enabling a powerful talent ecosystem that helps build and develop capabilities for the future. The Company has built a new paradigm of 'hybrid jobs' that combine technology, domain and industry experience. This enables us to attract skillsets that complement its growth paradigm. The Company is also reskilling its workforce through structured learning paths and offering them a new-age skill identity through various talent assessments & customized learning to bridge skill gaps. The Company continues to enable internal talent growth and development by offering open dialogues, having regular performance and development reviews including structured feedback, knowledge transfer and other opportunities for enriching their career. Talent redeployment has been encouraged by providing avenues for internal mobility through talent rotation when any new opportunity of hire arises. Adding to this, opportunities to work on different projects locally and across geographies / businesses have also been provided.

The Company encourages its employees to progress within the organization as opportunities arise. The organization has a strong talent management process to evaluate the best of talent, encourage and provide career development opportunities for promising employees through individual career development plans. Developing leaders internally continues to be a priority for the Company & with that in mind, succession plans are developed for all critical roles in the organization post talent risk assessments and engagement study.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1614	1614	100%	1614	100%	NA	NA	1614	100%	153	9%
Female	151	151	100%	151	100%	151	100%	NA	NA	21	14%
Total	1765	1765	100%	1765	100%	151	100%	1614	100%	174	10%
Other than Permanent employees											
Male	44	44	100%	44	100%	NA	NA	44	100%	5	11%
Female	20	20	100%	20	100%	20	100%	NA	NA	0	0
Total	64	64	100%	64	100%	20	100%	44	100%	5	8%

1. **b. Details of measures for the well-being of workers:**

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	554	554	100%	554	100%	NA	NA	554	100%	37	7%
Female	4	4	100%	4	100%	4	100%	NA	NA	2	50%
Total	558	558	100%	558	100%	4	100%	554	100%	39	7%
Other than Permanent employees											
Male	521	521	100%	521	100%	NA	NA	521	100%	20	4%
Female	31	31	100%	31	100%	31	100%	NA	NA	0	0
Total	552	552	100%	552	100%	31	100%	521	100%	20	4%

2. **Details of retirement benefits, for current FY and Previous Financial Period:**

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year			Jan 1, 2021 – March 31, 2022 Previous Financial Period		
	No. of employee covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employee covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	3%	0%	Y	4%	0%	Y
Others-Superannuation	23%	0%	Y	30%	0%	Y

Note:

- There are 75 employees covered under ESI
- Superannuation is an optional retirement benefit for employees and 535 employees have availed the scheme.
- Superannuation & Gratuity is deposited with respective trusts.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises / offices of the entity is accessible to differently abled employees and workers

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company encourages diversity through global policy of Diversity 360 which involves inclusion. The Company does not have a policy in specific for disabled employees.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

126 employees have availed maternity/ paternity leaves and 100% of them have resumed work.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Yes, there are multiple ways, the employees can report their concerns/ grievances. The employees may use the Ethics helpline/dedicated email id, inform the Immediate reporting manager/ HR representative for the function or the country Integrity officer, Internal committee – Prevention of Sexual Harassment (POSH) etc.

The Grievances received are thoroughly examined and enquires are undertaken in the given time frame to resolve the same.

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent workers	POSH policy, Ethics Global email
Other than permanent workers	POSH policy, Ethics Global email
Permanent employees	POSH policy, Ethics Global email
Other than permanent employees	POSH policy, Ethics Global email

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year			Jan 1, 2021 – March 31, 2022 Previous Financial Period		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Unions (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Unions (D)	% (C/D)
Total permanent employees	1765	0	0	0	0	0
-Male	1614	0	0	0	0	0
-Female	151	0	0	0	0	0
Total permanent workers	558	558	100%	561	561	100
-Male	554	554	100%	557	557	100
-Female	4	4	100%	4	4	100

8. Details of training given to employees and workers:

Yes, all the Company employees underwent training on health & safety measures.

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year					Jan 1, 2021 – March 31, 2022 Previous Financial Period				
	Total (A)	On health and safety measures*		On skill upgradation		Total (D)	On health and safety measures*		On skill upgradation#	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1614	1614	100%	1614	100%	1578		100%	1188	75.3
Female	151	151	100%	151	100%	166		100%	129	77.7
Total	1765	1765	100%	1765	100%	1744		100%	1317	75.5
Workers										
Male	554	554	100%	554	100%	557		100%	343	61.7
Female	4	4	100%	4	100%	4		100%	4	100
Total	558	558	100%	558	100%	561		100%	347	61.8

*Regular programs on health & safety measures are conducted for all employees and workers.

#Skill upgradation programs are conducted on a periodical basis.

#The casual/contractual employees are subjected to skill-based training depending on the work and job roles. Training matrix is designed based on their job risk profiles. As and when required, refresher trainings are provided to upgrade skills based on any changes in the work/job profiles of employees.

9. Details of performance and career development reviews of employees and worker:

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year			Jan 1, 2021 – March 31, 2022 Previous Financial Period		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
-Male	1614	1366	85%	1846	1409	76.33%
-Female	151	109	72%	179	106	59.22%
Total	1765	1475	84%	2025	1515	74.81%
Workers						
-Male	-	-	-	-	-	-
-Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

Above numbers for employees are based on the Annual Salary Revision eligibility of the financial year.

At Hitachi Energy India, Non-Management Staff (NMS) are also eligible for meritorious increment /promotion according to practice of respective location in addition to normal increment. This practice differs based on the location and terms agreed with the Union. Details given below:

1. **Peenya**: Appraisal period April to March
   Each workman eligible for promotion after every 3rd year
2. **Mysore**: Appraisal period January to December
   All NMS eligible for promotion once in 4 years.
3. **Maneja**: Appraisal period April to March
   35% of total strength eligible for promotion & 15% for increment every year.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, occupational health & safety management system has been implemented as per ISO 45001:2018 and certified.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Activity based risk assessment (ABRA) is conducted for all activities which present a risk to HSE. As part of ABRA, hazards are identified for the activity and risks are assessed. All hazards are reported by the Company and contract employees to their line managers and entered in the global HSE/SA MIS system.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0.08	0
	Workers	0.72	0.3
Total recordable work-related injuries	Employees	1	1
	Workers	14	10
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

As an organization, the Company has established a very strong focus on safety and have helped its employees stay healthy – both, physically and mentally. Its targets for 2030 include zero harm – through rigorous risk assessments and training – and top-quartile health absence rates. The following measures were taken amongst others to ensure a safe and healthy workplace:

- HSE Management system has been implemented as per ISO 14001 & 45001 and continual improvements are done.
- Activity based risk assessment is conducted for all activities which present a risk to HSE. Activity Based Risk Assessments (ABRA) are reviewed when there is an identified control failure (e.g., incident, audit or inspection or should significant change occur (e.g., to the task, process, substances, resources, or technology) that may affect the hazards and risks.
- HSE training - Training plans are developed based on the assessment of the current level of competence and awareness. Trainings are in consideration of individual capabilities and cultural aspects. All trainings shall consider the differing levels of responsibility, risks, ability, language skills and literacy. All relevant staff and persons working on behalf of the Company shall participate in trainings as defined in the training plan.
- The Life Saving Rules (LSRs) apply to all employees and contractors regardless of work location or their role. Life-saving rules – eLearning is mandatory for Hitachi Energy employees.

- During the year under review, 9 electrical safety awareness programs were organized for employees and contractors who perform an electrical work. 230 employees were trained, assessed & certified in these programs.
- Hazards and control measures are communicated before start of the activity and monitored to ensure that controls are implemented. All hazards are reported by the Company and contractor employees to their line managers and entered in the global HSE/SA MIS system. Responsible managers are aware of their top five risks and, considering these in conjunction with their top five incident categories, develop appropriate campaigns or action plans for reducing the risks and managing those areas for improvement.
- All machinery and equipment used by Company personnel and contractors for work being performed by or on behalf of Company must be suitable and fit for the intended purpose and use. The frequency for inspection of machinery and equipment is determined by assessment of the risks in the use of that equipment, the environment in which the equipment is used or operates and the manufacturers' recommended schedule.
- Internal & external audits are carried out to check the adequacy of systems, procedures, and controls that are implemented.
- Management reviews the status of the HSE Management System with regard to suitability, effectiveness and adequacy and opportunities for improvement.

13. Number of Complaints on the following made by employees and workers:

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year			Jan 1, 2021 – March 31, 2022 Previous Financial Period		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100 %
Working conditions	100 %

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Many corrective actions but not limited to the following were taken to address safety related incidents and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- All incidents are investigated as per the classification and corrective actions implemented to prevent its recurrence.
- Life-saving rules – eLearning training is made mandatory for all employees. 10 life-saving rules focus on eradicating fatal and life-changing injuries resulting from its most critical risk activities.
- Preparation of a Lift plan in case of all critical lift as per the mechanical lifting standard. The mechanical lifting standard to have more clarity added around when Lift Plans are required.
- Ensuring barrier/exclusion zones are sufficient, if unable, add alternate controls to provide safety redundancy. Clear and effective communication between crane operator & signaler to be validated (visual, signals, radio, etc…)
- Standard vehicle inspection checklist is introduced to ensure entry of healthy vehicles into the facility.
- Mandatory electrical competency training for all contract workers working in switchyard irrespective of the work they perform.
- Proper work planning when working on weekend / holidays. The approval must take care of High-risk activities planned and supervision available.
- Even though every activity is controlled by an ABRA but since ABRA is often performed in advance before the actual activity is started. The Stop! Take 5 addresses things that can change or be different just before, or during, the activity, e.g., weather conditions, work area, location of activity, personnel available, etc.
- Country Level Health Survey was conducted with an aim to collect relevant information pertaining to Occupational Health and Industrial Hygiene. The outcome shall be used to design various initiatives to improve working environment.
- Training of employees and workers to enhance their knowledge and consultation with employees to increase their participation in risk management.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

    (A) Employees – Yes

    (B) Workers – Yes

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

    Periodic compliance audit of the Company's value chain partners is done for ensuring that the statutory dues are paid properly. Awareness sessions are also being conducted on latest practices.

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

    None of the employee /workers have suffered high consequence work-related injury / ill-health / fatalities in current and previous financial year who require rehabilitation.

Particulars	Total Number of affected Employees / Workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 - March 31, 2022 Previous Financial Period	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 - March 31, 2022 Previous Financial Period
Employee	0	0	NIL	NIL
Workers	0	0	NIL	NIL

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

    No

5. **Details on assessment of value chain partners:**

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practice	100%
Working Condition	100%

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

    The responsible manager ensures compliance regarding all legal country, state or local regulations. Value chain partners/ contract workers are trained and authorized to perform the assigned task and ensured each worker adheres to all applicable HSE rules and site procedures of the Company.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

Sustainability performance forms an important basis for the Company's dialogue with its stakeholders. A comprehensive dialogue with key stakeholders and its inputs and feedback enabled Hitachi Energy to revisit its materiality matrix and develop the next level 2030 objectives. The Sustainability 2030 Objectives are established by the Group and the legal entity has incorporated the same along with the local objectives.

The Company had dialogues with various Government entities central and state with regards to policy and presentation on the Company's innovative sustainable solutions such as electric vehicle charging and "Make-in-India", smart cities, sustainable mobility solutions, energy efficiency, efficiency upgradation in the railways sector, renewable energy, growth developments & technology keeping the climate change, job skilling, etc. The Company also carried out its Supplier Sustainable Development Program (SSDP) across chosen vendors.

The Supplier Sustainability Development Program (SSDP) is supplier engagement to uphold human rights and decent working conditions, ensure safe and environmentally sound operations and comply with relevant regulatory requirements in supply chain.

Sustainable and compliant suppliers reduce risk of disruption and negative brand impact. Additionally, suppliers experience operational benefits like improved on-time delivery, reduced machine breakdown, increased productivity, and overall reduction in cost of manufacturing, thus becoming more efficient and effective. In the year 2022-23, as a part of supplier sustainability development program, the Company assessed 10 suppliers within India. Further, the Company has been able to reduce the risk level of 13 suppliers open since past years.

As a part of continuous improvement in supplier sustainability, the Company has introduced a program to monitor and improve greenhouse gases emissions originating in the Company's suppliers. In this direction, the Company has collaborated with its third-party service providers M/s Bureau Veritas, to provide training to its key suppliers to identify, measure and monitor the emission levels within their area of manufacturing. The pilot program is planned to be implemented within Q1 of 2023-24 and full implementation to be completed by Q4 2023-24.

The Company during the period also organized several customer engagement events to bring the Company's technologies closer to the customers. The Company organized multiple customer connect programs on HSE/SA, to hear to the voice of the customer to further improve the performance and to include the inputs of the customer into the strategy of the Company.

1. Describe the processes for identifying key stakeholder groups of the entity.

Leadership teams across businesses and functions review various audiences - primary to tertiary - to identify

- those that we have most interactions and exchanges
- those whom we impact economically and socially, and vice versa
- with whom we create value and enable the energy transition
- communities and those whom we can support

These groups have been classified broadly as our key stakeholders, as listed below.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Business				
Customers	No	Emails Meetings, Trainings Webinars	Ad hoc	Knowledge sharing Presentation of innovative sustainable solutions
Suppliers	No	Development programs Meetings & Emails	Annual Ongoing	Supplier Sustainable Development program
Investors	No	Email, newspaper advertisement, Boards' report, quarterly financials, annual financials, website, analyst call, annual general meeting	Annual, quarterly and on a need basis	Welfare of investors by management of business operations in best possible way, timely identification of risks and its mitigation and imbibed with principles of integrity and sustainability in all aspects of the Company Business performance Annual general meeting, Analysts call
Employees	No	HSE & Sustainability Programs & trainings Townhalls Employee welfare programs Emails	Ongoing	Communication & feedback
Competitors	No	Seminars Industry events & Associations	Event based	Networking & knowledge sharing
Government				
Government and regulators	No	Meetings	Need based	Presentation of innovative sustainable solutions
Legislators and the law	No	Meetings	Need based	Compliances
Trade bodies	No	Seminars & conferences	Event based	Networking & knowledge sharing

Civil society				
International organizations	No	Meetings	Ad hoc	Partner for Sustainability programs
Local communities	Yes	Community Meetings	Ongoing	Engagement for CSR activities
Academia and scientific community	No	Seminars Meetings, Campus connect programs	Ad hoc	R&D and educational partnerships
Media	No	Meetings, Press Release, and events	Quarterly	Thought leadership, Communication & branding
NGOs and civil society organizations, trade unions	No	Interactions & Meetings	Ad hoc	Implementation of CSR projects Employee welfare

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Investors - Annual general meeting and analysts call.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Not applicable

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Yes. the Company has identified vulnerable/ marginalized stakeholder groups and is providing support to the beneficiaries through CSR projects.

PRINCIPLE 5: Businesses should respect and promote human rights

The Company's values are rooted in respect, including respect for the human rights of every single person who works for or with us. Respecting and promoting human rights in its business activities is one of its priorities in its community's impact area. Hitachi Energy India recognizes that respect for human rights is a basic requirement and that failure to do so can cause harm to people and adversely affect business, with potential legal, financial and reputational consequences.

The Company follows its Human Rights Policy and a Social Policy to respect human rights and to avoid causing or contributing to adverse human rights impacts through own activities. The policy draws on the Universal Declaration of human rights, the International Labour Organization (ILO) core conventions on labor standards, United Nations Global Compact (UNGC), the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, UN Sustainable Development Goals (SDG) and the Social Accountability (SA) 8000 standard. All employees have access to the human rights e-learning, which describes the human rights principles and risks for the Company. The Company has made a provision that employees shall report any human rights risk or violation that might occur during projects, services and operations of the Company. Human Rights performance are being monitored based on relevant indicators to evaluate and to prevent human rights impacts in all of the Company's operations and workplaces. The Company's Human Rights and Social Policies specifically refer to the ILO core conventions as the minimum to be achieved, with respect to non-discrimination, prohibition of child and enforced labor, freedom of association and the right to engage in collective bargaining. The United Nations (UN) guiding principles are central to the Company's human rights training. A global awareness-raising program for all, on understanding how the Company can potentially impact human rights, the importance of due diligence and how the Company is embedding human rights in business processes, a global capacity building program is under way.

During the year under review, the Company has not received any grievances related to human rights. The Company seeks to raise its standards, and increase its understanding, and mitigation of human rights risks.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year			Jan 1, 2021 – March 31, 2022 Previous Financial Period		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (C/D)
Employees						
Permanent	1765	1765	100%	Employees were given induction training on policies before starting their work		
Other than permanent	64	64	100%			
Total employees	1829	1829	100%	All the employees were covered		
Workers						
Permanent	558	558	100%	Workers were given induction training on policies before starting their work		
Other than permanent	552	552	100%			
Total workers	1110	1110	100%	All the employees were covered		

2. Details of minimum wages paid to employees and workers, in the following format:

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year					Jan 1, 2021 – March 31, 2022 Previous Financial Period				
	Total (A)	Equal to Minimum wage		More than minimum wage		Total (D)	Equal to Minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No . (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1614	0	0	1614	100%	1706 - Minimum wages paid, as per the respective state provisions and same is followed for female employees				
Female	151	0	0	151	100%					
Other than Permanent										
Male	44	0	0	44	100%	38 - Minimum wages paid, as per the respective state provisions and same is followed for female employees				
Female	20	0	0	20	100%					
Workers										
Permanent										
Male	554	0	0	554	100%	561 - Minimum wages paid, as per the respective state provisions and same is followed for female employees				
Female	4	0	0	4	100%					
Other than Permanent										
Male	521	0	0	521	100%	661 - Minimum wages paid, as per the respective state provisions and same is followed for female employees				
Female	31	0	0	31	100%					

3. Details of remuneration/salary/wages, in the following format:

Particulars	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BOD)	2	27,826,249.89	2	4,585,000
Key managerial personnel (KMP)	3	13,352,568.93	0	NA
Employees other than BOD and KMP	1885	968,525	199	753,598
Workers	602	1,061,042	6	856,259.48

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

– The Company has Internal committees for redressal of various grievances.

6. Number of Complaints on the following made by employees and workers:

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year			Jan 1, 2021 – March 31, 2022 Previous Financial Period		
	Filed during year	Pending resolution at the end of the year	Remarks	Filed during year	Pending resolution at the end of the year	Remarks
Sexual harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child labour	0	0		0	0	
Forced labour / Involuntary labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Policies are made and awareness have been given to employees on the same.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/Involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others-please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Leadership Indictors

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No such incidents/requirements so far.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Provisions are available.

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	100%
Discrimination at workplace	100%
Child labour	100%
Forced Labour / Involuntary labour	100%
Wages	100%
Others-please specify	100%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No such risk/ concerns.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Hitachi Energy is a global technology leader that is advancing a sustainable energy future for all. The Company serves customers in the utility, industry and infrastructure sectors with innovative solutions and services across the value chain. Together with customers and partners, the Company pioneers technologies and enable the digital transformation required to accelerate the energy transition towards a carbon-neutral future. Hitachi Energy is advancing the world's energy system to become more sustainable, flexible and secure whilst balancing social, environmental and economic values.

To meet the changing needs of a growing population and limit global warming to 1.5 degrees, large-scale volumes of variable energy generated from renewable sources need to be efficiently integrated into the world's energy system. To facilitate the deployment of technology at the scale and speed required, the Company believes that it must adapt and adopt new business models and collaborate with all stakeholders to support sustainable, flexible and secure energy systems such as power grids. As more renewable power sources join to gradually replace carbon-based energy, the Company needs to ensure that its grids remain resilient, and become more flexible as they adapt to fast-changing demands and increasing decentralization. Only through effective digitalization of all elements of the energy value chain can this be delivered. While making energy more accessible, affordable, and sustainable, the Company also needs better energy efficiency at all stages of distribution and a reduced environmental footprint throughout the life cycle of all components.

Sustainability 2030 is a strategic plan for sustainability where Hitachi Energy summarizes the main commitments to act and drive business in a sustainable way. Based around four pillars: Planet, People, Peace and Partnerships.

Looking ahead, Hitachi Energy is continuing to invest in its journey towards carbon-neutrality by further increasing energy efficiency, as well as electrifying its own operations.

Together with customers, partners, and key stakeholders, Hitachi Energy is contributing to accelerating the energy transition to ensure a sustainable energy future for all.

Essential Indicators

1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
Total electricity consumption (A)	1,78,298	2,14,957
Total fuel consumption (B)**	2,15,061	2,80,262*
Energy consumption through other sources (C)	12,510	26
Total energy consumption (A+B+C)	4,05,869	4,95,245
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.000009	0.00001
Energy intensity *(optional)* – the relevant metric may be selected by the entity		

* Corrected fuel consumption (Conversion factor updated)

** Fuel consumption does not include the fuels consumed from fleet operations.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, GHG (Green House Gas) emission assessment done by DNV in 2021 (for the financial year January 01, 2020 to December 31, 2020).

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
Water withdrawal by source (in kiloliters)		
(i) Surface water	2,41,069	2,27,099
(ii) Groundwater	1,92,164	2,51,160
(iii) Third party water	6,030	14,427
(iv) Sea water / desalinated water	0	0
(v) Others	0	0

Parameter	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
Total volume of water withdrawal (in kiloliters) *(i + ii + iii + iv + v)*	4,39,263	4,92,686
Total volume of water consumption (in kiloliters)	2,43,032	2,90,479
Water intensity per rupee of turnover ***(Water consumed / turnover)***	0.0000054	0.0000059
Water intensity *(optional)* – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The Company has taken various initiatives for water conservation to reduce freshwater consumption and installed efficient wastewater treatment systems at its manufacturing sites. In line with Zero Liquid Discharge approach, many of it's units are recycling treated wastewater for gardening as well as flushing purpose. The focus is to reduce wastewater economically and produce clean water that is suitable for reuse (e.g., irrigation), thereby saving money and being environment friendly.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
NOx	PPM	Complied	Complied
SOx	PPM	Complied	Complied
Particulate matter (PM)	μg/m3	Complied	Complied
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)	μg/m3	Complied	NA
Hazardous air pollutant (HAP)		NA	NA
Others – please specify		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Environment assessment done by Pollution Control Board approved Laboratory in respective states.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	25,083	31,338
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	107	23,763
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.0000006	0.0000011
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Total scope 2 emissions are calculated considering International Renewable Energy Certification (I-REC) procured for electricity consumed.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, GHG (Green House Gas) emission assessment done by DNV in 2021 (for the financial year January 01, 2020 to December 31, 2020).

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

By 2030, Hitachi Energy aims to achieve carbon-neutrality in its own operations. Hitachi Energy is targeting to reduce carbon emissions by 50% along the value chain and reducing waste – along with its use of precious resources, like water.

The Company continues to maintain 100% fossil free electricity consumption in its own operations. By achieving 100% fossil-free electricity in its own operations, the Company have reduced its CO_2 equivalent emissions by more than 42% compared to previous year.

The Company did this through projects generating own fossil-free electricity, such as installing solar roof panels, switching electricity contracts to green tariffs, buying International Renewable Energy Certificates (IRECs), and signing Power Purchase Agreements (PPA).

To increase its share of renewable energy, 938KW of solar panel installations at Maneja is in progress and out of which 292 KW is commissioned & operational. The Company introduced rooftop solar for the electrification of a project site office previous year and installed roof top solar at 4 more project sites in this financial year.

The Company continued to maintain focus on remaining parts of the operations – where fossil fuel is directly used. To substitute HSD fuel with environment friendly PNG, projects were implemented in Thermic fluid heaters/Thermo-Pac boilers and completed in PT F2, IT & Traction factory.

The Company is continuing to invest in its journey towards carbon-neutrality by further increasing energy efficiency, as well as electrifying its own operations.

The Company's ambition extends beyond carbon-neutrality. The Company is working to reduce waste – along with its consumption of precious resources, like freshwater. The Company will support SDG 12 (Responsible Consumption and Production) and SDG 6 (Clean Water and Sanitation). The Company will minimize the use of water, materials, pollution, and waste in its operations and throughout the life cycle of its solutions through a circular mindset.

8. Provide details related to waste management by the entity, in the following format:

Parameter	**April 1, 2022 - March 31, 2023 Current Financial Year**	**Jan 1, 2021 – March 31, 2022 Previous Financial Period**
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	117.0	100.2
E-waste **(B)**	14.19	15.69
Bio-medical waste ***(C)***	0.046	0.44
Construction and demolition waste ***(D)***	0.0	0.01
Battery waste **(E)**	14.57	3.19
Radioactive waste ***(F)***	0.00	0.00
Other Hazardous waste. Please specify, if any. ***(G)*** (Used Oil, Resin, oily quartz & papers, glass wool, discarded containers)	314.34	373
Other Non-hazardous waste generated *(H). Please specify, if any.* (Ferrous - MS & SS) & Nonferrous (Copper, Aluminum) Wood waste & dust) (Break-up by composition i.e. by materials relevant to the sector)	7676.62	7479
Total (A+B + C + D + E + F + G + H)	8136.77	7972
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total		0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	91.2	70
(ii) Landfilling	3335.4	3410
(iii) Other disposal operations	4692.2	4491
Total	8118.8	7971

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, Periodic audits are done by DNV as per ISO 14001: 2015.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Managing waste from its own operations has been the Company's priority and has been continuously improved through the Company management system standard for waste management.

Integration of sustainability considerations in Research & Development (R&D) gate models to ensure that Health, Safety, and Environment are considered and understood when assessing R&D projects.

Reducing generations of waste and waste that are sent for final disposal remains the Company's focal area. Waste reduction is incorporated in the product design stage to ensure waste minimization in manufacturing process. Source segregation of waste, in-house recycling of packaging materials and reuse continues to add more value to waste and reduces the quantum of non-recyclable wastes that are sent to landfills. All wastes are sent to relevant Pollution Control Board (PCB) authorized recyclers. Waste disposal is increased due to one-time waste of a power capacitor factory which is relocated from Peenya to Doddaballapur in Bangalore.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not applicable

S. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company has complied with the applicable environmental laws/ regulations/ guidelines in India.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or it's multiples) from renewable and non-renewable sources, in the following format:

Parameter	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
From renewable sources		
Total electricity consumption (A) #	1,77,853.65	1,07,218
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	2.65	0
Total energy consumed from renewable sources (A+B+C)	1,77,856.30	1,07,218
From non-renewable sources		
Total electricity consumption (D)	464	1,07,739
Total fuel consumption (E)*	2,15,061	2,80,262
Energy consumption through other sources (F)	12,448	26
Total energy consumed from non-renewable sources (D+E+F)	2,27,973	3,88,051

Total electricity consumption from renewable source consists of renewable energy from solar power, PPAs with third party & purchasing of International Renewable Energy Certificates (I-RECs).

*Fuel consumption does not include the fuels consumed from fleet operations.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, GHG (Green House Gas) emission assessment done by DNV in 2021 (for the financial year January 01, 2020 to December 31, 2020).

2. **Provide the following details related to water discharged:**

Parameter	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 – March 31, 2022 Previous Financial Period
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	1,33,995	23,915
- No treatment	0	0
- With treatment - please specify level of treatment*	1,33,995	23,915
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third - parties	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(v) Others	62,336	1,78,291
- No treatment	0	0
- With treatment – please specify level of treatment*	62,336	1,78,291
Total water discharged (in kilolitres)	1,96,331	2,02,206

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

*Water treatment is done before discharge of water to meet quality requirements as per conditions of consent to operate.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area:

1) Maneja Village, Vadodara (Semi Critical) *

2) Peenya Industrial Area, Bangalore Urban (Over exploited) *

(ii) Nature of operations:

1) Manufacturing of Transformers, Bushings & Breakers

2) Manufacturing of control panels, sub-station automation system & grid automation products

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 - March 31, 2022 Previous Financial Period
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1,77,462	2,20,561
(iii) Third party water	858	565.6
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	1,78,320	2,21,126.6
Total volume of water consumption (in kilolitres)	1,09,328	1,35,050
Water intensity per rupee of turnover *(Water consumed / turnover)*	-	-
Water intensity *(optional)* – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	**6,756**	**11,946**
- No treatment	0	0
- With treatment - please specify level of treatment	6,756	11,946
(ii) Into Groundwater	**0**	**0**
- No treatment	0	0
- With treatment - please specify level of treatment	0	0

Parameter	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 - March 31, 2022 Previous Financial Period
(iii) Into Seawater	**0**	**0**
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third-parties	**0**	**0**
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(v) Others	**62,236**	**74,130**
- No treatment	0	0
- With treatment - please specify level of treatment	62,236	74,130
Total water discharged (in kilolitres)	**68,992**	**86,076**

*As per Block wise Ground Water Resource Assessment -2020 by Central Ground Water Board

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

The Company has developed the criteria for measurement and calculation of emissions of relevant categories as per GHG protocol guidance. The scope 3 emission of significant categories shall be reported from FY 2023-24 onwards.

Parameter	Unit	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 - March 31, 2022 Previous Financial Period
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity *(optional)* – the relevant metric may be selected by the entity			-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Switch over to PNG (Piped Natural Gas) from HSD (High Speed Diesel) for heating	No	CO_2 emission reduction
2	Switched over to Surface water from ground water at Halol	No	Reduction in water consumption
3	Installed VFDs in Air handling units	No	Energy saving
4	Increased the capacity of solar installation	No	CO_2 emission reduction

7. **Does the entity have a Business Continuity and Disaster Management Plan? Give details in 100 words/ web link.**

Yes, Business Continuity Planning (BCP) is a part of Hitachi Energy's organizational resilience program. It is designed to reduce the impact of a business interruption which could occur due to a range of events ranging from financial, natural causes or man-made events. It helps business unit/function to respond effectively to the disruption and restore its essential services and mission critical processes as quickly as possible to ensure timely recovery. It provides a reference tool for the actions required during or immediately following an emergency or incident that threatens to disrupt business unit/ functions normal business activities.

The key objectives of this business continuity plan are to:

- Identify advanced preparations and procedures that will enable Business Unit/Function to respond quickly to disruptive incidents and ensure continuity of critical business functions.
- Reduce employee injury or loss of life, and minimize damage and losses
- Have documented plans and procedures to ensure effective execution of recovery strategies for critical business functions.
- Reduce and mitigate disruptions to business operations.
- Identify teams which would need to respond to incidents and define specific responsibilities.
- Quantify the impact of incidents in terms of monetary, time, operations, and work force.
- Recover quickly from an emergency and resume full operations.

Steps

Key Business Processes & Recovery Priorities

List all the key processes and sub processes that must be maintained or quickly restored in the event of a disruptive incident. It provides a high-level description for each of the process and assigns a priority (criticality) ranking to each of them.

Risk assessment

Risk Assessment (RA) is one of the main parts of the BCP system. The RA process involves identification, analysis, and evaluation of all possible risks, hazards, and threats to the operating environment, and defines likelihood / impact of disruptive events caused by such threats.

Once the risks have been identified, their impact on different aspects of operations are gauged. Those risks which affect mission-critical operations should be handled first. The following strategy is used to handle risks:

- **Prevent** – Risks which are of high probability with high impact. These risks must be attended first by using mitigation, prevention or any other strategy to lessen or avoid its impact.
- **Accept** – Risks which have low probability and low impact. Nothing specific needs to be done for such risks, but the organization should be vigilant. If a back-up strategy is put in place for such a risk, all the better.
- **Contain** – Risks which have a high probability of occurring but having low impact on operations. Use mitigation strategies to minimize impact of the risk on business operations.
- **Plan** – Low probability but high impact events. Though this may be once in a lifetime event, its impact could be disastrous. The business should plan the steps to be taken if such a risk occurs. Once the steps to be taken are in place, production can be resumed in the shortest possible time with the least loss.

Business Impact Analysis

The Business Impact Analysis (BIA) identifies and prioritizes the mission-critical business processes and key functions, disruption related operational impacts, and the resources (internal and external) required to recover critical operations.

A properly executed BIA will guide in reducing the overall operational and financial impacts, reduce potential losses, and enhance the business operations.

Business Continuity Strategy

Business Continuity Plan describes the strategy devised to maintain business continuity in the event of a disruption to operations. This strategy will be invoked when the primary facility(ies) are somehow be damaged or inaccessible, and business critical operations are interrupted.

Recovery Priorities

The strategy is to recover critical business functions at an alternate site location (if an off-site strategy has been put into effect to provide recovery service). Critical business functions are the most critical for immediate recovery at the secondary location.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   Not available

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Not available

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

The Company is operating in a dynamic, competitive, and regulated environment, making the operations and compliance more complex.

The Company is committed to follow the law of the land and has a policy of zero tolerance to non-compliance which is an integral part of its culture and operating philosophy. To support, streamline and adapt quickly with the ever-changing policy framework, the Company have key industry memberships as given below:

Essential Indicators

1. **a.** Number of affiliations with trade and industry Chambers/ Associations - 4

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry Chambers/ Associations	Reach of trade and industry Chambers / Associations (State/ National)
1	Confederation of Indian Industries	State & National
2	Indian Electrical and Electronics Manufacturers' Association	National
3	Sweden Chamber of Commerce India	National
4	Central Board of Irrigation and Power	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   Not applicable since the Company has not received any adverse order from regulatory authorities towards issues related to anti-competitive conduct.

Name of authority	Brief of the case	Corrective action taken
	-	-
	-	-

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
1	Electrification of public transport and development of urban infrastructure	CII Karnataka Industry forum	-	-	-

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

The Company's Social Policy focuses on society, human rights, children and young workers, freedom of engagement, health and safety, harassment and disciplinary practices, employee consultation, equality of opportunity working hours, compensation, suppliers, community involvement and business ethics.

The policy is drawn principally on six sources:

1. The Universal Declaration of Human Rights
2. The UN Guiding Principles on Business and Human Rights
3. The International Labour Organization's Declaration on Fundamental Principles and Rights at work
4. The OECD Guidelines for Multinational Enterprises
5. The Global Sullivan Principles and
6. The Social Accountability 8000 (SA 8000) standard

The Company has its Corporate Social Responsibility (CSR) policy and framework for action along with clear focal areas against which community engagement projects are taken up predominantly in and around its factory locations.

The details of beneficiaries of CSR Projects are given in response to clause 6 of Leadership indicators.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not applicable

Name and brief details of project	S. No.ification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/no)	Relevant web link
NA	NA	NA	NA	NA	NA

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not applicable

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R
NA	NA	NA	NA	NA	NA

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company is committed to sustainable and inclusive development of the community's social capital through active engagement. Social surveys are organized through NGO partners to receive the grievances of community, if any. CSR projects are identified and implemented in the following focus areas:

- Promote gender equality and empowering of women in engineering workforce
- Endorse education, employability & healthcare
- Social impact projects to collaborate with communities to provide innovative off-grid solutions to improve access to electricity in the country, especially in rural areas for its development
- Support national disaster management and other government initiatives
- Aid in sustainable development goals

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year	Jan 1, 2021 - March 31, 2022 Previous Financial Period
Directly sourced from MSMEs/small producers	90%	90%
Sourced directly from within the district and neighboring districts	80%	80%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable

Details of negative social impact identified	Corrective action taken
-	-

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational district	Amount spent (In ₹)
1	Karnataka	Bangalore, Mandya, Chickballapur, Chamrajnagar	13.70
2	Gujarat	Vadodara	19.47
3	Tamil Nadu	Chennai	8.08
4	Telangana	Warangal	3.00
5	Uttarakhand	Roorkee	3.00
6	West Bengal	Kharagpur	4.00

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) - No

(b) From which marginalized /vulnerable groups do you procure? - Not Applicable

(c) What percentage of total procurement (by value) does it constitute? - Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not applicable

S. No.	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Not applicable

Name of authority	Brief of the case	Corrective action taken
-	-	-

6. Details of beneficiaries of CSR Projects:

S. No.	CSR project	No of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Women in Manufacturing, Engineering – empowering Girl students	200	Not applicable
2	Ambulance service- providing mobile physiotherapy services for disabled.	About 100	
3	Mobile Deep freeze devices for transporting vaccines, immunization kits	15 villages	
4	Urban Green cover development under Vadodara Municipal Corporation	General public at Vadodara	
5	Green initiatives at Traffic medians	General public on Bellary Road, Bengaluru	
6	Development of 1.5km access road to villagers	Local villages for commuting	
7	Sustainable Public Mobility at IIT Madras	Students' community year after year	
8	Smart Electric Grid – Laboratory at NIT Warangal	Students' community year after year	
9	Smart & Sustainable Community at IIT Roorkee	Students' community year after year	
10	New Energy Resources- at IIT Kharagpur	Students' community year after year	
11	Smart & Sustainable assets at BVM College	Students' community year after year	

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company customers have following channels through which complaints can be sent and following mechanism is in place to respond to the same:

i) Customers can place the complaints through:

a. Contact Center

b. Through Email / Letter to the concerned area sales office or project management/order handling or through the EPC/OEM/Distributor from which they have purchased the finished product.

ii) Upon receipt of the complaint, the sales team or the factory team who has received the complaint, will raise a ticket in the system through Customer Compliant Resolution Process (CCRP) tool. The progress of these CCRP tickets are tracked monthly.

iii) Customers, if not satisfied with pace of resolution or the resolution itself, can also request for an escalation matrix.

iv) Transactional NPS (Net Promoter Score) is used to track the customer feedback and analyzed to take corrective actions, if necessary.

v) High severity customer complaints are monitored on monthly basis at management meetings.

vi) Feedbacks from customer visits are monitored at various steering committee levels.

2. **Turnover of products and/ services as a percentage of turnover from all products / service that carry information about:**

The product manual provides information on Environmental and Social parameters wherever it is relevant to the product.

For products installed in the field, the Company can offer lifecycle management solutions through its service operations. This will support decision-making for customers to manage and maintain their assets, including when it is time for upgrades and decommissioning of assets. The Company is expanding its solutions for product end-of-life management, which have already contributed to large amounts of recycled material in certain markets. One of the key pillars of its service strategy is extending the life of its customers' electrical infrastructure.

Particulars	As a percentage of total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

3. **Number of consumer complaints in respect of the following**

Particulars	April 1, 2022 - March 31, 2023 Current Financial Year		Remarks	Jan 1, 2021 - March 31, 2022 Previous Financial Period		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	None	None		None	None	
Advertising	None	None		None	None	
Cyber-security	None	None		None	None	
Delivery of essential services	None	None		None	None	
Restrictive trade practices	None	None		None	None	
Unfair trade practices	None	None		None	None	
Other	-	-		-	-	

4. **Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reason for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the link is as follows - https://www.hitachienergy.com/offering/solutions/cybersecurity
The Company is certified for ISO/IEC: 27001:2013 for information security management systems.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products/ services.**

No action taken or underway on issues relating to data privacy of customer.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

- Yes, Web Link is as follows: https://www.hitachienergy.com/offering

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company provides the following to inform and educate consumers about safe and responsible usage of products and/or services.

- Product operational Manual
- Customer training on product, if required
- Factory Acceptance Test (FAT) confirmation
- On site commissioning support
- On-site Service support to the customer

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company manages with product life cycle management process like;

- EOL – End Of Life policy or
- LTB – Last Time Buy policy

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Product safety is a critical component of each of its solutions and is exemplified as part of management system, which contains a standard specifically for HSE requirements during product R&D. Each R&D project is accompanied by a project specific HSE plan, requiring assessment of HSE risks, opportunities, and aspects. Additionally, all products are provided with safety manuals, which include information concerning the safe use of products. Overall, product safety and design programs allow us to incorporate safety by design and offer more value with less HSE & Sustainability impact.

On packing box, the Company prints “FRAGILE MARK” & Glass symbol for upside done indication, Umbrella mark and don’t stack, Don’t stamp marking.

Yes. The Net Promoter Score (NPS) survey methodology is adopted to understand how the Company is perceived by its customers. The surveys are administered online through a web-based application at planned intervals.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact - None

b. Percentage of data breaches involving personally identifiable information of customers - Not Applicable

Links to the Company Policies and Programs section

Health, Safety, Environment and Sustainability Policy:

https://www.hitachienergy.com/content/dam/web/home/local-india/documents/sustainability/hse-and-sustainability-policy-with-signature.pdf

Social Policy:

https://www.hitachienergy.com/content/dam/web/home/local-india/documents/sustainability/social-policy_.pdf

Human Rights Policy:

https://www.hitachienergy.com/content/dam/web/home/local-india/documents/sustainability/human-rights-policy_.pdf

Corporate Social Responsibility Policy (Company):

https://www.hitachienergy.com/in/en/investor-relations/corporate-governance

Sexual harassment of women at the workplace Policy (Company):

https://www.hitachienergy.com/in/en/investor-relations/corporate-governance

Code of Conduct (Company):

https://www.hitachienergy.com/about-us/integrity/standards/code-of-conduct

Supplier Code of Conduct (Hitachi Energy Group):

https://www.hitachienergy.com/about-us/supplying/supplier-code-of-conduct

Sustainability development goals:

https://www.hitachienergy.com/in/en/sustainability/sustainability-overview#our-commitment

Corporate Governance (Company):

https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies

Integrity Program (Hitachi Energy Group):

https://www.hitachienergy.com/in/en/about-us/integrity

Hitachi Energy Whistleblower - Protection Policy (Company):

https://www.hitachienergy.com/in/en/about-us/integrity/reporting-channels/whistleblower-protection-policy

Please scan the QR code to view all Hitachi Energy India’s polices and programs

Notice to the Members

NOTICE is hereby given that the **FOURTH ANNUAL GENERAL MEETING** ('AGM') of the Members of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) ("the Company") will be held on Thursday, August 17, 2023 at 11:00 a.m. (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses and the venue of the Meeting shall be deemed to be the Registered Office of the Company at 8th Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru - 560092 to transact the following businesses:

Ordinary Business:

Item No. 1 - Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2023:

To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2023, including (i) the Audited Balance Sheet; (ii) Statement of Profit & Loss Account and (iii) the Cash Flow Statement for the year ended on that date together with (iv) the Reports of Board of Directors and the Auditors thereon:

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT the Audited Financial Statements of the Company as at March 31, 2023, Audited Statement of Profit & Loss Account and Cash Flow Statement for the financial year ended March 31, 2023, the statement of changes in equity, if any, explanatory Notes annexed to or forming part of, the documents referred above and the Report of the Board of Directors and the Auditors attached thereto, be and are hereby received, approved and adopted."

Item No. 2 - Declaration of Dividend:

To declare a dividend on Equity Shares of ₹ 3.40 per Equity Share (170%) face value of ₹ 2.00 each for the financial year ended March 31, 2023:

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT a final dividend at the rate of ₹ 3.40 (Rupees Three and Paisa Forty Only) per equity share of ₹ 2 (Rupees Two only) each fully paid up of the Company be and is hereby declared for the financial year ended March 31, 2023 and that the same be paid as recommended by the Board of Directors of the Company for the financial year ended March 31, 2023.

RESOLVED FURTHER THAT the Board of Directors and/ or any of the Key Managerial Personnel of the Company for the time being, be and are hereby authorized severally to do all acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this Resolution."

Item No. 3 – Re-appointment of Mr. Ismo Antero Haka (DIN: 08598862), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment:

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT Mr. Ismo Antero Haka (DIN: 08598862), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

Special Business:

Item No. 4 - Approval of remuneration payable to the Cost Auditors of the Company for the financial year 2023-24:

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the payment of remuneration of ₹ 20,75,000 (Rupees Twenty Lakhs and Seventy Five Thousand only) per annum plus applicable taxes and out of pocket expenses actually incurred during the course of an audit to M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration No.100392) appointed as Cost Auditors, by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

Item No. 5 - Increase in the Borrowing Limits of the Company under Section 180(1)(c) of the Companies Act, 2013:

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

"RESOLVED THAT and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the rules made thereunder and Article 114 of the Articles of Association of the Company and in supersession of all the earlier Resolutions, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), to borrow money as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or anybody corporate/ entity/entities and/or authority/ authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up share capital of the Company and its free reserves, provided however, the total amount so borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business including issuing Corporate Guarantees) shall not exceed at any point in time a sum equivalent to ₹ 6,500 Crores (Rupees Six Thousand Five Hundred crores only) consisting of ₹ 1,500 Crores towards fund based limits and ₹ 5,000 Crores towards non-fund based borrowings facilities over and above the aggregate, of the paid-up share capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors and/or any of the Key Managerial Personnel of the Company for the time being, be and are hereby severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard including but not limited to the delegation of powers to any director or committee of directors or any other person as it may deem fit subject to the provision of the Companies Act, 2013."

Item No. 6 – Appointment of Ms. Meena Ganesh (DIN: 00528252) as an Independent Director of the Company:

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Meena Ganesh (DIN: 00528252), who has been appointed by the Board of Directors, based on recommendation of Nomination and Remuneration Committee, as an Additional Director under Section 161 of the Act and who holds office up to the ensuing Annual General Meeting and qualifies for being appointed as Independent Director, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years effective from May 24, 2023 to May 23, 2028.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Ms. Meena Ganesh (DIN: 00528252) shall be entitled to receive such fees and remuneration by way of commission as permitted to be received in the capacity Non-Executive, Independent Director under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and/or any of the Key Managerial Personnel of the Company for the time being, be and are hereby authorized severally to do all acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient or desirable in order to give effect to this Resolution."

By Order of the Board of Directors

For **Hitachi Energy India Limited**

(formerly known as ABB Power Products and Systems India Limited)

Poovanna Ammatanda

General Counsel & Company Secretary

FCS-4741

Place: Bengaluru

Date: July 11, 2023

Registered Office:

8th Floor, Brigade Opus, 70/401,

Kodigehalli Main Road, Bengaluru - 560092

CIN: L31904KA2019PLC121597

Phone: 080 68473700

Notes:

1. This AGM is convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to the Ministry of Corporate Affairs (MCA) issued Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020, Circular No. 20/2020 dated 5th May 2020, Circular No. 21/2021 dated 14th December 2021, Circular No. 2/2022 dated 5th May 2022 and Circular No. 10/2022 dated 28th December 2022 ("MCA Circulars") and the Securities and Exchange Board of India ("SEBI") issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022, and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 ("SEBI Circulars"), which allows the companies to hold AGMs through VC/ OAVM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 6 of the Notice is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the Listing Regulations and Secretarial Standards-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the AGM are provided as an annexure to the Notice. Requisite declarations have been received from the Director/s for seeking appointment/re-appointment.

3. In compliance with the MCA Circulars and SEBI Circulars, this AGM Notice along with the Annual Report for the financial year ended March 31, 2023 is sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / their Depositary Participants. The AGM Notice and Annual Report of the Company are made available on the Company's website a https://www.hitachienergy.com/in/en/investor-relations/general-meetings#annual-report and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com and National Stock Exchange of India Limited - https://www.nseindia.com/. The Company has published a Public Notice by way of advertisement in the Kannada Language, the principal vernacular language of Karnataka and in the English language in an English newspaper with the required details of the 4th AGM for information of the Members.

4. A Member entitled to attend and vote at the Meeting, is entitled to appoint one or more proxies (the proxy need not be a member of the Company to attend and vote instead of himself/herself). Since this AGM is being held through VC / OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA Circulars and SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this AGM.

5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In the case of joint holders attending the AGM, the member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.

7. The Company has availed the services of National Securities Depository Limited (NSDL), as the authorised agency for conducting the AGM through VC/OAVM and providing an e-voting facility. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's e-Voting website at https://www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the meeting through VC/OAVM form part of the Notes to this Notice.

8. The Registers of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members electronically during Annual General Meeting.

9. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members electronically during the Annual General Meeting.

10. The Register of Members and the Share Transfer Books of the Company will remain closed from August 11, 2023 to August 17, 2023 (both days inclusive) for the purpose of the Annual General Meeting and dividend. The cut-off date for voting through remote e-voting and voting at the AGM venue is Thursday, August 10, 2023, and the record date for the dividend is Thursday, August 10, 2023.

11. The Company is proposing a dividend for the financial year ended March 31, 2023. Also, this being the fourth financial year of the Company, there was no requirement to transfer any dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, there was no requirement to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to IEPF Authority as notified by the Ministry of Corporate Affairs. As the Company was incorporated on February 19, 2019, it may be noted that there is no Unclaimed Dividend lying in IEPF Account.

Pursuant to the Scheme of Arrangement (Demerger), 1,07,421 Equity shares were allotted directly to the IEPF account and a dividend of ₹ 3,19,502 (after deduction of taxes) was also paid and deposited directly into the IEPF account after 3rd AGM. The concerned Members/claimants may claim the shares and corresponding dividend amount (declared for FP 2021-22) by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee and documents as decided/prescribed by it from time to time.

It is in the Member's interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Member's account on time.

The details of the unclaimed dividend including fractional shares amount transferred directly into IEPF account and Equity shares directly allotted to IEPF pursuant to Scheme of Demerger are available on the Company's website at https://www.hitachienergy.com/in/en/investor-relations/.
Members are requested to contact KFin Technologies Limited (KFintech), Unit: Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited), Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal, Hyderabad – 500 032, Telangana, the Registrar and Share Transfer Agents of the Company, to claim the unclaimed/unpaid dividends, aforementioned fractional shares sold amount and equity shares.

Due dates for transfer to IEPF are as under:

Type	Declaration / Sale Date	Due Date
Transfer of unclaimed Fractional shares amount (arising of fractional shares sold in the Financial Year January to December 2020)	July 27, 2020	September 30, 2027
Transfer of unclaimed/unpaid dividends and corresponding Equity shares for the Financial Year January to December 2020	May 27, 2021	July 31, 2028
Transfer of unclaimed/unpaid dividends and corresponding Equity shares for the Financial Period January 2021 to March 2022	July 22, 2022	September 26, 2029

12. In terms of the provisions of Section 152 of the Act, Mr. Ismo Antero Haka (DIN: 08598862), retires by rotation at the Meeting. Mr. Ismo Antero Haka is interested in the Ordinary Resolution set out at Item No. 3 of the Notice with regard to his re-appointment. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Businesses set out under AGM Notice except to the extent of equity shares held by them, if any.

13. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, email id, bank account details, nomination, signature, etc., either to the Company's Registrar and Share Transfer Agents ("RTA"), KFin Technologies Limited ("KFin/KFintech") at the address captured under "Information at a glance" or to their respective Depository Participant ("DP") in case the shares are held in dematerialized form.

To enhance the ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., for the issue of duplicate shares, claim from Unclaimed suspense account, renewal/exchange of securities certificate, endorsement, Subdivision / Splitting of securities certificate, Consolidation of securities certificates/folios, share transfer, share transmission, share transposition, issue of duplicate shares, deletion of a name, correction of name, etc.). Hence, the Members holding shares in physical form are requested to consider converting their holdings in a dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice.

As per Regulation 40 of SEBI Listing Regulations, as amended with effect from April 1, 2019, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form, for ease in portfolio management.

SEBI has mandated the updation of PAN, contact, Bank account, specimen signature and nomination details against folio / demat account.

PAN is also required to be updated for participating in the securities market, deletion of the name of the deceased holder and transmission/ transposition of shares. As per the applicable SEBI Circular, PAN details are to be compulsorily linked to Aadhar details, by 31st March 2023 or any other date specified by the Central Board of Direct Taxes.

Members are requested to submit PAN, contact, Bank account, nomination details and specimen signature (as applicable) to their DP in case of holding in dematerialised form or to the Company and/ or to RTA through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable) available at https://www.hitachienergy.com/in/en/investor-relations#-p-revised-process-for-updation-of-details-for-physical-sharehol in case of holdings in physical form.

As per the provisions of the Act and applicable SEBI Circular, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the KFintech or make changes to their nomination details through Form SH-14 and Form ISR-3.

In respect of shares held in dematerialised form, the nomination form may be filed with the respective DP. For relevant details/ forms, please visit the following - https://www.hitachienergy.com/in/en/investor-relations#-p-revised-process-for-updation-of-details-for-physical-sharehol

Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP only.

Members holding shares in physical form are requested to intimate such changes to the Company and/ or to RTA [through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable)].

Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with the share certificates so as to enable the Company to consolidate their holdings into one folio.

14. As a part of the green initiative and as mandated by SEBI, the Members who have not yet registered their e-mail addresses are requested to register their e-mail addresses with their DPs in case the shares are held by them in electronic form and with KFin Technologies Limited ("KFin/KFintech") in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/ RTA will be sent to the registered e-mail address.

15. The members/investors may write their queries, if any to the Company's Registrar and Share Transfer Agents' e-mail ID: einward.ris@kfintech.com or to the Company's designated/ exclusive e-mail investors@hitachienergy.com.

16. All documents referred in the accompanying Notice and Statement setting out material facts will be available for Members inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon up to the date of the Annual General Meeting. Members seeking to inspect such documents can send an e-mail to: investors@hitachienergy.com.

17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

18. Since the AGM is being held through VC/OAVM, the Route Map, Attendance Slip and proxy form are not attached to this Notice.

Speaker Shareholder:

19. Members who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/ folio number, PAN and mobile number at investors@hitachienergy.com between Thursday, August 10, 2023 (9.00 a.m. IST) and Monday, August 14, 2023 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

20. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by sending email at investors@hitachienergy.com between Thursday, August 10, 2023 (9.00 a.m. IST) and Monday, August 14, 2023 (5.00 p.m. IST) from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number. Such questions by the Members shall be suitably replied by the Company.

21. Facility of joining the AGM through VC/OAVM shall be available for 1000 members on first-come-first-served basis. However, the participation of members holding 2% or more shares, Promoters, and Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first-come-first-served basis.

22. Members of the Company under the category of Institutional Investors are encouraged to attend the AGM and vote at the AGM through VC/OAVM, if not already voted remotely.

    "The Resident Non-Individual Members such as Insurance Companies, Mutual Funds, Alternative Investment Fund (AIF) and other domestic financial institutions established in India and Non-Resident Non-Individual Members such as Foreign Portfolio Investors may submit the relevant forms, declarations and documents through their respective custodians who are registered with NSDL for tax services, on or before the aforesaid timelines."

23. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

Remote e-Voting before/during the AGM:

a. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI LODR (as amended) and the MCA Circulars, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.

b. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the Notice is sent through e-mail and holding shares as of the cut-off date i.e. Thursday, August 10, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 022 - 4886 7000 and 022 - 2499 7000. In case of Individual shareholders holding securities in demat mode who acquire shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, August 10, 2023, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-voting system".

c. The remote e-Voting period commences 9.00 a.m. IST on Saturday, August 12, 2023 and ends at 5.00 p.m. IST on Wednesday, August 16, 2023. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e., Thursday, August 10, 2023.

d. Members will be provided with the facility for voting through the electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

e. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system:

A) Login method for e-Voting and joining the virtual meetings for Individual shareholders holding securities in demat mode:

In terms of the SEBI Circular dated December 9, 2020 on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access the e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **“Beneficial Owner”** icon under **“Login”** which is available under **‘IDeAS’** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **“Access to e-Voting”** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **“Register Online for IDeAS Portal”** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member/Creditor’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. **APP STORE** **GOOGLE PLAY**

Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my Easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member/Creditor' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

   (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to: cs.skannan@gmail.com with a copy marked to evoting@nsdl.co.in The scanned image of the above mentioned documents should be in the naming format "Hitachi Energy India Limited's 4th Annual General Meeting". Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section

of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Pallavi Mhatre or Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@hitachienergy.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@hitachienergy.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under "Join Meeting" menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Speakers will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective networks. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS RELATED TO THE PAYMENT OF FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023:

24. The dividend as recommended by the Board of Directors of the Company, if declared by the Members at the AGM, will be paid after applicable deduction of tax on and from Friday, August 18, 2023, to those Members whose name stand registered on the Company's Register of Members:

(a) To all the Beneficial Owners as at the end of the day on Thursday, August 10, 2023 as per the list of beneficial owners to be furnished by the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of shares held in dematerialised form;

(b) To all the Members after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Thursday, August 10, 2023.

25. Procedure to be followed by the Members for updation of PAN, tax declaration and other details for receipt of dividend (whenever declared):

Effective April 1, 2020, dividend income is taxable in the hands of shareholders. Hence the Company is required to deduct tax at source [TDS] from the amount of dividend payable to shareholders at the prescribed rates. A Resident individual shareholders having valid PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to einward.ris@kfintech.com on or before Friday, August 4, 2023 (upto 5:00 pm IST). Further, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the Financial Year 2023-24 does not exceed ₹5,000. Shareholders may note that in case PAN is not updated with the Depository Participant/ Registrar of the Company, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial tax rates under Double Tax Avoidance Agreement [DTAA] i.e. tax treaty between India and their country of residence. Non-resident shareholders are required to provide details on applicability of beneficial tax rates by submitting the following documents:

- Copy of PAN card, if any, allotted by the Indian Income Tax Authorities duly self-attested by the member
- Copy of Tax Residency Certificate [TRC] for the FY 2023-24 obtained from the revenue authorities of country of tax residence duly attested by the member
- Self-Declaration in Form 10-F
- No-PE [permanent establishment] certificate
- Self-Declaration of beneficial ownership by the non-resident shareholder
- Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities

The members/shareholders are required to provide above documents/declarations by sending an E-mail to einward.ris@kfintech.com on or before Friday, August 4, 2023 (upto 5:00 pm IST). The Shareholders in the category of Mutual Funds are required to submit their respective SEBI Registration Certificates to einward.ris@kfintech.com on or before Friday, August 4, 2023 (upto 5:00 pm IST). The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the provisions of the Income tax Act, 1961. In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the Income Tax Act @20% plus applicable Surcharge and Cess.

Further, to receive the dividend on time, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to send the following documents to our RTA – KFin Technologies Limited, latest by August 4, 2023:

(a) Form No. ISR-1 duly filled and signed by the holders stating their name, folio number, complete address with pin code, and following details relating to the bank account in which the dividend is to be received:

(i) Name of Bank and Bank Branch;

(ii) Bank Account Number & Type allotted by your bank after implementation of Core Banking Solutions; and

i) 11-digit IFSC Code.

ii) 9 digit MICR Code.

(b) Original copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

(c) Self-attested copy of the PAN Card; and

(d) Self-attested copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

26. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/ deletion in such bank details. Accordingly, the Members holding shares in Demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applied to the dividend paid on shares held in electronic form.

27. Members are requested to address all correspondence to the Company Secretary or to the KFin at the address mentioned hereunder:

To the Company: Mr. Poovanna Ammatanda General Counsel and Company Secretary Hitachi Energy India Limited CIN: L31904KA2019PLC121597 Registered office: 8th Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru-560092 Phone no: +91 80 6847 3700 Website: www.hitachienergy.com/in Email: investors@hitachienergy.com
To the Registrar & Share Transfer Agents: KFin Technologies Limited Unit: Hitachi Energy India Limited Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana. Toll free number: 1- 800-309-4001 Website: https://www.kfintech.com and / or https://ris.kfintech.com/ Email id: einward.ris@kfintech.com

28. Other points:

I. The Board of Directors has appointed Mr. S Kannan, (Membership No. FCS 6261/CP No. PCS 13016), Practicing Company Secretary and in his absence Mr. B L Vinay, Practicing Company Secretary, Bengaluru, (Membership No. A26638 and CP No. PCS 10760), Bengaluru as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

II. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting and votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding two working days from the conclusion of the meeting submit a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman of the Company, or any other person authorized by him in writing for counter signature.

III. The Results shall be declared either by the Chairman or the person authorized by the Chairman in writing and the resolutions will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour thereof.

IV. Promptly after declaration of results, the same will be communicated to BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") (together called as "Stock Exchanges"), Depositories, Registrar and Transfer Agents being KFin Technologies Limited and would also be displayed on the Company's website https://www.hitachienergy.com/in/en and at its registered office.

V. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

Information at a glance	
Particulars	**Information**
Time and date of 4th AGM	Thursday, August 17, 2023 at 11:00 am
Mode	Video Conference and Other Audio-Visual Means (VC/OAVM)
Participation through VC/OAVM	Refer instructions above
Helpline number for Remote e-voting participation	022 4886 7000 / 022 2499 7000
Cut-off date for remote e-voting/ voting at AGM and for dividend	Thursday, August 10, 2023
Remote E-voting start time and date	Saturday, August 12, 2023, at 9:00 am (IST)
Remote E-voting end time and date	Wednesday, August 16, 2023 at 5:00 pm (IST)
E-voting facility after conclusion of AGM	Members who have not exercised voting through remote e-voting can exercise voting immediately after conclusion of AGM
E-voting website of NSDL for remote e-voting	https://www.evoting.nsdl.com/
Name, address and contact details of Registrar and Transfer Agent	Ms. Shobha Anand Deputy Vice President KFin Technologies Limited, Unit: Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally, Mandal, Hyderabad - 500032. Contact details: e-mail ID: einward.ris@kfintech.com Contact number: toll free no. 1- 800-309-4001
Name and contact details of e-voting and VC/OAVM service provider	National Securities Depository Limited (NSDL) Toll free number: 022 4886 7000 / 022 2499 7000 e-mail ID: evoting@nsdl.co.in

For **Hitachi Energy India Limited**
(formerly known as ABB Power Products and Systems India Limited)

Poovanna Ammatanda
General Counsel & Company Secretary
FCS-4741

Place: Bengaluru
Date: July 11, 2023

Registered Office:
8th Floor, Brigade Opus, 70/401,
Kodigehalli Main Road, Bengaluru - 560092
CIN: L31904KA2019PLC121597
Phone: 080 68473700

Explanatory Statement

Setting out material facts under Regulation 36(5) of the Listing Regulations and Section 102 of the Companies Act, 2013

Item No. 4:

The Board of Directors of the Company, based on the recommendation of the Audit Committee, has approved the appointment of M/s. Ashwin Solanki & Associates, Cost Accountant (Registration No: 100392) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors requires to be approved by the Members of the Company.

Accordingly, approval of the Members is sought as referred to in the Resolution No. 4 of the Notice for the payment of the remuneration amounting to ₹ 20,75,000 (Rupees Twenty Lakhs and Seventy Five Thousand only) for Cost Audit plus applicable taxes and out of pocket expenses incurred during the course of audit for the financial year ending March 31, 2024.

The Board of Directors recommends the Resolution for approval of Members as an Ordinary Resolution as set out in Resolution No. 4 of the accompanying Notice.

None of the Directors and/or Key Managerial Personnel of the Company and / or their respective relatives is concerned or interested, financially or otherwise, in the Ordinary Resolution as set out in Resolution No. 4 of the Notice.

Item No. 5:

The Members had, vide their Resolution dated May 27, 2022 accorded approval for borrowing upto ₹ 6,000 Crores (Rupees Six Thousand Crores only) consisting of ₹ 5,000 Crores towards non-fund based and ₹ 1,000 Crores towards fund based limits from its Bankers/Financial Institutions or from any one for operations of the Company.

Given the likely increase in business opportunities, the Board of Directors at their Meeting held on May 24, 2023 has provided their approval and recommended the same to the Shareholders to increase the existing limit from ₹ 6,000 Crores to ₹ 6,500 Crores by enhancing the fund based limit by ₹ 500 Crores. As a result, the revised limits would be ₹ 6,500 Crores (Rupees Six Thousand Five Hundred crores only) consisting of ₹ 1,500 Crores towards fund based limits and ₹ 5,000 Crores towards non-fund based borrowings facilities.

Section 180 of the Companies Act, 2013 provides that consent of the Members of the Company is required to be secured for borrowing in excess of its paid-up Share Capital, free reserves and securities premium (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business). Since, the proposed borrowing exceeds the paid-up Share Capital, free reserves and securities premium of the Company, approval of the Members of the Company is sought by way of a Special Resolution.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding, if any, in the Company.

Copy of the Articles of Association of the Company as mentioned in the Resolution will be available for Members inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon up to the date of the Annual General Meeting. Members seeking to inspect, can send an e-mail to investors@hitachienergy.com

Item No. 6:

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at their Meeting held on May 24, 2023, appointed Ms. Meena Ganesh (DIN: 00528252), as an Additional Director of the Company and also as an Independent Director in terms of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and amendments thereto [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], to hold office for a term of 5 (five) consecutive years effective from May 24, 2023 to May 23, 2028, not liable to retire by rotation and subject to the approval of the Shareholders.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing her candidature for the office of Director.

Ms. Meena Ganesh has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act.

Further, the Company has also received following declarations/ confirmations from her:

i. consent in writing to act as Director;
ii. declaration that she is not disqualified under section 164(2) of the Act; and
iii. declaration to the effect that she is not debarred from holding the office of Director pursuant to any order issued by the SEBI.

In terms of Regulation 25(8) of Listing Regulations, Ms. Meena Ganesh has confirmed that she is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact her ability to discharge the duties.

In the opinion of the Board, Ms. Meena Ganesh possesses the relevant expertise/experience, and meets the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and she is independent of the management.

Given her experience, the Board considers it desirable and in the interest of the Company to have Ms. Meena Ganesh on the Board of the Company and accordingly, the Board recommends the appointment of Meena Ganesh as an Independent Director as proposed in the Resolution no. 6 for approval by the Shareholders as a Special Resolution.

Except for Ms. Meena Ganesh and/or her relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Disclosures, as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

The terms and conditions of appointment of the Independent Directors are uploaded on the website of the Company https://www.hitachienergy.com/in/en/investor-relations/board-of-directors and is available for inspection.

For **Hitachi Energy India Limited**
(formerly known as ABB Power Products and Systems India Limited)

Poovanna Ammatanda
General Counsel & Company Secretary
FCS-4741

Place: Bengaluru
Date: July 11, 2023

Registered Office:
8th Floor, Brigade Opus, 70/401,
Kodigehalli Main Road, Bengaluru - 560092
CIN: L31904KA2019PLC121597
Phone: 080 68473700

Annexure I to AGM Notice

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 4TH ANNUAL GENERAL MEETING [PURSUANT TO SECRETARIAL STANDARD 2 (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) AND REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

<table>
<tr><th>Name of the Director</th><th>Mr. Ismo Antero Haka</th><th>Ms. Meena Ganesh</th></tr>
<tr><td>DIN</td><td>08598862</td><td>00528252</td></tr>
<tr><td>Date of Birth & Age</td><td>May 16, 1963 (60 Years)</td><td>August 31, 1963 (60 Years)</td></tr>
<tr><td>Nationality</td><td>Finnish</td><td>Indian</td></tr>
<tr><td>Date of Appointment on the Board</td><td>February 25, 2021</td><td>May 24, 2023</td></tr>
<tr><td>Qualifications</td><td>M.Sc. in Economics from the Hanken School of Economics, Finland.</td><td>PGDM from IIM Calcutta and graduate degree in Physics from the Madras University.</td></tr>
<tr><td>Expertise in specific functional area</td><td>Power grid business and please refer information mentioned above and brief profile section.</td><td>Diverse business knowledge and please refer information mentioned in brief profile section.</td></tr>
<tr><td>Shareholding in the Company</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Directorship held in other companies</td><td>1. Hitachi Energy Sweden AB
2. Hitachi Energy (China) Ltd</td><td>1. CRM Holdings Private Limited
2. Healthvista India Limited
3. Portea Medical Private Limited
4. Ezeesmart Education Private Limited
5. Takecare Technology Private Limited
6. Qtrove Services Private Limited
7. Hygiene Bigbite Private Limited
8. Starvista Celebrities Private Limited
9. Curated Marketplaces Private Limited
10. Rocket Logistics Private Limited
11. Pfizer Limited
12. Procter & Gamble Hygiene and Healthcare Limited
13. Axis Bank Limited</td></tr>
<tr><td>Committee positions held in other companies</td><td>NIL</td><td><table>
<tr><th>S. No.</th><th>Name of Company</th><th>Name of the Committees</th><th>Position (Member / Chairperson)</th></tr>
<tr><td>1.</td><td>Pfizer Limited</td><td>Nomination & Remuneration Committee</td><td>Member</td></tr>
<tr><td>2.</td><td>Pfizer Limited</td><td>Risk Management Committee</td><td>Member</td></tr>
<tr><td>3.</td><td>Procter & Gamble Hygiene and Healthcare Limited</td><td>Audit Committee</td><td>Member</td></tr>
<tr><td>4.</td><td>Procter & Gamble Hygiene and Healthcare Limited</td><td>Risk Management Committee</td><td>Member</td></tr>
<tr><td>5.</td><td>Axis Bank Limited</td><td>Audit Committee</td><td>Member</td></tr>
<tr><td>6.</td><td>Axis Bank Limited</td><td>Nomination & Remuneration Committee</td><td>Chairperson</td></tr>
<tr><td>7.</td><td>Axis Bank Limited</td><td>Corporate Social Responsibility Committee</td><td>Member</td></tr>
</table></td></tr>
</table>

<table>
<tr><td rowspan="5"></td><td rowspan="5"></td><td>8.</td><td>Healthvista India Limited</td><td>Nomination & Remuneration Committee</td><td>Member</td></tr>
<tr><td>9.</td><td>Healthvista India Limited</td><td>Audit Committee</td><td>Member</td></tr>
<tr><td>10.</td><td>Healthvista India Limited</td><td>Risk Management Committee</td><td>Member</td></tr>
<tr><td>11.</td><td>Healthvista India Limited</td><td>Corporate Social Responsibility Committee</td><td>Member</td></tr>
<tr><td>12.</td><td>Healthvista India Limited</td><td>IPO Committee</td><td>Chairperson</td></tr>
<tr><td>Number of Board Meetings attended during the financial year 2022-23</td><td>During the financial year 2022-23, he has attended all 4 Board meetings.</td><td colspan="4">Not applicable since the appointment is effective from May 24, 2023.</td></tr>
<tr><td>Relationships with other Directors, Manager and other Key Managerial Personnel of the Company</td><td>He is not related to any other Director and / or Key Managerial Personnel of the Company.</td><td colspan="4">She is not related to any other Director and / or Key Managerial Personnel of the Company.</td></tr>
<tr><td>Remuneration details (last drawn remuneration including Sitting Fees & Commission)</td><td>Not drawing any remuneration or commission or sitting fees in the capacity of Director from the Company.</td><td colspan="4">Not Applicable</td></tr>
<tr><td>Details of remuneration sought to be paid</td><td>NIL</td><td colspan="4">Not Applicable</td></tr>
<tr><td>Occupation</td><td>Service</td><td colspan="4">Service</td></tr>
</table>

Brief Profile	Mr. Ismo Antero Haka is the Non-Executive and Non-Independent Director of the Company. Ismo Haka is the CFO of Hitachi Energy Ltd. Before this, he held numerous senior financial positions in ABB: CFO of ABB Power Grids (2016-2020); CFO of Power Products Division (2012-2016) which was then merged into the Power Grids Division; North America Regional and USA Country CFO (2008-2012) and Process Automation Division CFO (2004 to 2008).	Ms. Meena Ganesh is the Co-founder & Chairperson of Portea Medical (www.portea.com), India's leading and home healthcare company, which she co-founded in July 2013. The company has 3000+ employees and operations across 20+ cities in India, and brings in-home to patients, the full range of geriatric, chronic, post-operative care as well as allied healthcare services. As a partner of the platform, Growthstory.in, one of India's largest entrepreneurship platforms, she is also co-promoter of nearly a dozen, new-age Internet/ Technology enabled start-ups namely Bigbasket, Bluestone, HomeLane, and Verloop.io. Meena's career spans across organisations such as TutorVista, Pearson Education Services, Tesco Hindustan Service Centre, CustomerAsset, Microsoft India, PWC and NIIT. Meena serves on the Board of Pfizer India, P&G Health & Hygiene Limited and Axis Bank. Meena has been recognized by Forbes Asia – 50 Over 50 (2022) for shattering age and gender norms all over the globe and also featured in the list of Top 20 Outstanding Female Business Leaders by Forbes Asia 2021. She has been part of Fortune India's 50 'Most Powerful Women in Business' for seven consecutive years (2015 - 2021).
Key terms and conditions of appointment	He is a Non-Executive, Non-Independent Director of the Company. He is required to comply with the applicable provisions of the Companies Act and SEBI Regulations and other applicable laws.	She is appointed as Non-Executive, Non-Independent Director of the Company. She is required to comply with the applicable provisions of the Companies Act and SEBI Regulations and other applicable laws.

By Order of the Board of Directors
For **Hitachi Energy India Limited**
(formerly known as ABB Power Products and Systems India Limited)

Poovanna Ammatanda
General Counsel & Company Secretary
FCS-4741

Place: Bengaluru
Date: July 11, 2023

Registered Office:
8th Floor, Brigade Opus, 70/401,
Kodigehalli Main Road, Bengaluru - 560092
CIN: L31904KA2019PLC121597
Phone: 080 68473700

Board's Report

Dear Members,

The Board of Directors is pleased to present the 4th Annual Report covering the business and operations of Hitachi Energy India Limited ("the Company") along with the Company's audited financials for the year ended March 31, 2023.

1. Financial Results:

(Amount in ₹ Crores)

Particulars	FY 2022-23 From 01.04.2022 to 31.03.2023	FP 2021-22 From 01.01.2021 to 31.03.2022
Revenue from Operations	4,468.51	4,883.96
Add: Other Income	15.14	66.94
Total Income	**4,483.65**	**4,950.90**
Less: Total Expenses	4,352.83	4,710.16
Profit before tax and exceptional items	**130.82**	**240.74**
Less: Exceptional items	-	(35.85)
Profit before tax and after exceptional items	**130.82**	**276.59**
Tax expense	36.92	73.19
Profit after tax	**93.90**	**203.40**
Add: Other Comprehensive Income	1.74	4.95
Total Comprehensive Income	**95.64**	**208.35**
Balance of retained earnings transferred pursuant to the scheme of arrangement	-	-
Balance brought forward from the previous year	608.39	408.52
Amount available for appropriation	**704.03**	**616.87**
Appropriations:		
Equity dividend paid	12.72	8.48
Tax on equity dividend paid	-	-
Debenture redemption reserve	-	-
General reserve	-	-
Balance carried forward	**691.31**	**608.39**
Key ratios:		
Earnings per share (₹)	22.16	47.99

Note: Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure.

2. Performance Review:

During the financial year ended March 31, 2023, orders touched ₹ 6,817.20 Crores, as against ₹ 4,548.10 Crores during the year ended March 31, 2022. The orders witnessed healthy growth, reflecting the technology push and continued traction in transformers and system integration. The order backlog at the end of the year stood at ₹ 7,070.91 Crores (March 31, 2022 was ₹ 4,672.29), which continued to provide visibility to the future revenue streams. The total income of your Company for the financial year ended March 31, 2023 stood at ₹ 4,483.65 Crores (March 31, 2022 was ₹ 4,950.90 Crores), reflecting stability of operations in an uncertain market situation. Profit before tax after exceptional items was ₹ 130.82 Crores (March 31, 2022 was ₹ 276.59 Crores), mainly impacted due to chips and electronic shortages and commodity price fluctuations. Accordingly, net profit after tax was ₹ 93.90 Crores (March 31, 2022 was ₹ 203.40 Crores). The earnings per share for the financial year ended March 31, 2023, stood at ₹ 22.16 (March 31, 2022, was ₹ 47.99).

For detailed analysis of the performance, including industry overview, changes, and outlook, please refer to the Management's Discussion and Analysis Report provided in **Annexure-A**, forming part of this Report.

There has been no change in the nature of business during the financial year under review.

3. Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in **Annexure-A**, forming part of the Annual Report.

4. Glimpse of Rebranding and Consolidation:

Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) ("the Company") underwent a significant transformation since its inception with several noteworthy milestones. Firstly, the Scheme of Arrangement ("Scheme") which was entered into between (i) ABB India Limited ("INABB" / "Transferor") and (ii) Hitachi Energy India Limited [Formerly known as (ABB Power Products and Systems India Ltd or APPSIL)] ("Company" / "Transferee") and their respective shareholders and creditors, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, ("Act") which provided for *inter alia* the Demerger of the Power Grids Business of INABB ("Demerged Undertaking") and the consequent issuance of equity shares by your Company to the shareholders of INABB as per the share entitlement ratio, which was approved by the National Company Law Tribunal, Bengaluru Bench ("NCLT") on November 27, 2019, allowed Hitachi Energy India Limited to concentrate its resources on its core business areas, enhance operational efficiency, and maximize value for its stakeholders.

In addition, 3,17,86,256 equity shares aggregating 75% of the paid-up capital of your Company was transferred from ABB Asea Brown Boveri Ltd to ABB Ltd by way of dividend in kind, and subsequently from ABB Ltd to Hitachi Energy Ltd (formerly known as Hitachi ABB Power Grids AG) as contribution in kind (as disclosed by the Shareholders) on February 05, 2021.

Consequent to this, your Company underwent a name change from "**ABB Power Products and Systems India Limited**" to "**Hitachi Energy India Limited**" with effect from November 12, 2021, following the rebranding of its parent Company as Hitachi Energy Ltd. and in keeping with its' vision of becoming a part of Hitachi Energy group. This change reaffirms your Company's commitment to advance a sustainable energy future for all in India. With its new brand name – Hitachi Energy India – the business will be able to effectively position its pioneering technologies and services to existing and future customers expanding beyond the grid – opening up a breadth of opportunities in areas such as sustainable mobility and smart life, and contributing further economic, environmental and social value. In continuation to the change in name of the Company, the Memorandum of Association and Articles of Association of your Company were also amended involving name change and the financial year of the Company was changed from January 01 - December 31 to April 01 - March 31. Necessary approvals from various regulatory authorities, as applicable in this regard was secured by the Company from time to time.

Furthermore, on December 28, 2022, Hitachi Ltd., an ultimate parent entity of the Company has completed the previously announced acquisition of ABB Ltd.'s remaining 19.9% equity stake in Hitachi Energy Ltd., a Joint Venture that was formed from ABB's Power Grids business in 2020. Thus, Hitachi Ltd. now holds 100% of the equity stake in Hitachi Energy Ltd., (Zurich, Switzerland), which is the holding Company which presently holds 75% stake in your Company. The solid commitment from Hitachi to the announced acquisition of the remaining shares of Hitachi Energy ahead of plan will help in accelerating and enabling the agile and committed team to support customers and partners addressing the global challenge of the energy transition, while continuing to deliver strong financial performance and creating value.

5. Dividend & Reserves:

Declaration and payment of dividend:

The Board of Directors has recommended a final dividend of ₹ 3.40 (Three Rupees and Forty Paise only) per equity share for the financial year ended March 31, 2023 on 4,23,81,675 equity shares of ₹ 2 each, fully paid.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy.

Dividend Distribution Policy:

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Dividend Distribution Policy which is accessible at the Company's website https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies

Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from August 11, 2023 to August 17, 2023 (both days inclusive) to determine the eligible shareholders to receive the dividend for the year ended March 31, 2023 and accordingly, the record date for dividend will be Thursday, August 10, 2023.

According to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. April 1, 2020, and the Company is required to deduct tax at source from the dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

Unclaimed dividends:

Details of outstanding and unclaimed dividends previously declared and paid by the Company are given under the Corporate Governance Report.

Transfer to Investor Education and Protection Fund:

As per the applicable provisions of the Companies Act 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after completion of seven years and the shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more shall also be transferred to the Demat account created by IEPF Authority.

Further, pursuant to the Scheme of Arrangement [entered into between (i) ABB India Limited ("INABB"/"Transferor") and (ii) Hitachi Energy India Limited (Formerly known as ABB Power Products and Systems India Limited) ("the Company") and their respective shareholders and creditors] approved by NCLT vide its order dated November 27, 2019, the Company directly allotted 1,07,421 Equity Shares to the shareholders of ABB India Limited in accordance with the Share Entitlement Ratio pertaining to the relevant shares of ABB India Limited lying with IEPF.

Accordingly, the dividend declared for the financial period 2021-22 and financial year 2022-23 pertaining to the shares remaining with IEPF authorities has also been transferred to the Investor Education and Protection Fund account from time to time.

The details of the above are provided on the website of the Company at: https://www.hitachienergy.com/in/en/investor-relations/shareholder-information#iepf

Transfer to Reserves:

For the financial year under review, your Company has proposed not to transfer any amount to the General Reserves.

6. Share Capital:

As of March 31, 2023, the authorized share capital of the Company was ₹ 10 Crores comprising of 5,00,00,000 equity shares of ₹ 2 each, and the paid-up equity share capital as of March 31, 2023, was ₹ 8.48 Crores comprising of 4,23,81,675 equity shares of ₹ 2 each.

During the year under review, the Company had neither issued any shares nor instruments convertible into equity shares of the Company or with differential voting rights nor has granted any sweat equity.

7. Material Changes and Commitment affecting the Financial Position:

While the economy was in the grip of Covid-19 for the past two years, the Company maintained business continuity, showed remarkable endurance in difficult times, and ensured its customers met all mission-critical project timelines. Furthermore, the Ukraine situation, semiconductor shortages, and supply chain disruptions continue to weigh on the economy and our sector in particular. Despite the fact that the number of current cases of Covid-19 has decreased significantly, there are still concerns about a sustained economic recovery due to a variety of other impacting variables.

With this, there were no material changes affecting the financial position of the Company that took place after the close of the financial year 2022-23 till the date of this Report. Also, there has been no change in the nature of business of the Company.

Update on COVID-19:

While the severity of the disease due to COVID-19 has reduced because of increased vaccination, as immunity may wane over a period of time, there is a risk of further waves and the emergence of highly transmissible and more virulent variants.

In the situation of the COVID-19 pandemic, vaccination camps were organized across the Company locations in coordination with hospitals, for employees, their families, third party(ies), as well as contract staff. Regular engagement and monitoring enabled a quick completion of both vaccination doses along with booster doses.

8. Subsidiary/ Joint Venture or Associate Company:

During the financial year under review, the Company did not have any subsidiary, joint venture or associate Company.

9. Expansion/ Addition of new manufacturing facilities:

Your Company added new manufacturing facilities, the details of which are provided under Management Discussion and Analysis section of this Report.

10. Credit Rating:

The Company had outstanding short-term borrowings of ₹ 275 Crores as on March 31, 2023 utilized from the established credit lines with banks.

CRISIL Ratings Limited has reaffirmed the long-term and short-term credit ratings for ₹ 6000 Crores bank facilities (enhanced from ₹ 5000 Crores) of the Company.

CRISIL has assigned 'CRISIL A1+' as Short-Term Rating and assigned 'CRISIL AAA/Stable' ratings as a Long-Term Rating effective from July 08, 2022.

The Company's financial discipline and prudence are reflected in the strong credit ratings ascribed by rating agencies. The details of credit ratings are disclosed in the Management Discussion and Analysis Report, which forms part of this Board's Report.

11. Board of Directors and Key Managerial Personnel:

As at March 31, 2023, the Board of Directors comprised 6 Directors of which 1 is Executive Director, 2 are Non-Executive Directors and 3 are Non-Executive, Independent Directors.

- Mr. Nuguri Venu (DIN: 07032076), Managing Director and Chief Executive Officer is the Executive Director.
- Mr. Ismo Antero Haka (DIN:08598862) and Mr. Achim Michael Braun (DIN:08596097) are the Non-Executive, Non- Independent Directors.

- Mr. Mukesh Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva are the Independent Directors.

The composition of the Board of Directors is in due compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

Key Managerial Personnel:

Mr. Nuguri Venu (DIN: 07032076), Managing Director and Chief Executive Officer, Mr. Ajay Singh, Chief Financial Officer, and Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer are the Key Managerial Personnel in accordance with the provisions of Section 203 of the Companies Act, 2013. There was no change in the Key Managerial Personnel during the year.

Appointment/ Re-Appointment of Directors:

Based on the recommendations of the Nomination & Remuneration Committee (NRC) and Board of Directors, the shareholders at the third Annual General Meeting held on July 22, 2022, approved the re-appointments of:

- Mr. Achim Michael Braun (DIN:08596097), Non-Executive Director who retired by rotation.
- Mr. Mukesh Butani (DIN: 01452839), Ms. Akila Krishnakumar (DIN: 06629992) and Ms. Nishi Vasudeva (DIN: 03016991) as an Independent Directors for a second term of five (5) years effective from December 24, 2022, to December 23, 2027.
- Mr. Nuguri Venu (DIN: 07032076), Managing Director and CEO of the Company for a further period of five (5) years effective from December 2, 2022 to December 1, 2027.

Details of Directors, Key Managerial Personnel and Composition of various Committees of the Board are provided in the Corporate Governance Report forming part of this report.

Change in Composition of Board of Directors:

Ms. Nishi Vasudeva (DIN: 03016991) has resigned from the position of Independent Director of the Company effective from May 24, 2023.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their Meeting held on May 24, 2023, approved the appointment of Ms. Meena Ganesh (DIN: 00528252) as an Additional Director in the capacity of Independent Director for a term of 5 (five) years, effective from May 24, 2023 to May 23, 2028, subject to approval of the Shareholders of the Company at the ensuing Annual General Meeting. The necessary Resolution for her appointment is being placed for the approval of Shareholders as part of the Notice convening the 4th Annual General Meeting.

Further, in accordance with the Articles of Association of the Company and the provisions of Section 152(6)(e) of the Companies Act, 2013, Mr. Ismo Antero Haka (DIN: 08598862), Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

A brief resume of Ms. Meena Ganesh and Mr. Ismo Antero Haka proposed to be appointed and re-appointed respectively, including the nature of their expertise in specific functional areas and names of the Companies in which they hold Directorship/ Membership/ Chairmanship of the Board or Committees, as stipulated under SEBI (Listing Obligations and Disclosure Requirement Regulations, 2015 is provided as an annexure to the Notice convening the 4th Annual General Meeting.

Declaration of Independent Directors:

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have registered their names in the Independent Directors' Databank.

The Independent Directors have also given their undertaking stating that they are not aware of any event or incident that exists or might reasonably be anticipated that could impair or damage their capacity to fulfil their duties objectively and independently.

Familiarization Program for Independent Directors:

The Company has implemented a program to familiarize its Independent Directors. The program's primary objective is to familiarise Independent Directors on our Board with the Company's business, industry in which the Company operates, business model, challenges, and so on, through a variety of programmes that include regular meetings with our business leads and functional heads, as well as interaction with subject matter experts within the Company.

The familiarization program and other disclosures as specified under the Listing Regulations is available on the Company's website at https://www.hitachienergy.com/in/en/investor-relations/board-of-directors

Selection and Procedure for Nomination and Appointment of Directors and Nomination and Remuneration Policy of the Company:

The Nomination and Remuneration Committee (NRC) of the Company is entrusted to determine the criteria for the requirements of the Board. NRC, while recommending candidature to the Board, takes into consideration the qualification, attributes, experience and independence of the candidate.

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has formulated, amongst others, a policy on Nomination and Remuneration which provides the framework for remunerating the members of the Board, Key Managerial Personnel, Senior Management and other employees of the Company. This Policy is guided by the principles and objectives enumerated in Section 178(4) of the Companies Act, 2013.

The details of the Nomination and Remuneration Policy are mentioned in the report on Corporate Governance and the same is also placed on the Company's website at https://www.hitachienergy.com/in/en/investor-relations/board-of-directors

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed as **Annexure-B** forming an integral part of this Report.

Annual Performance Evaluation of the Board:

The Board, along with the Nomination and Remuneration Committee, has approved a performance evaluation framework in the form of a questionnaire for annual evaluation of the Board, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements under Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI's Guidance Note on Board Evaluation.

During the year under review, the Board of Directors have carried out an annual evaluation of its own performance, Board Committees, and Individual Directors. The Board evaluation was conducted through a questionnaire designed with qualitative parameters and feedback based on ratings.

Further, the performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman, the Board as a whole and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting held during the year.

The questionnaire was circulated to all the Board members of the Company in a transparent and confidential manner. The key parameters considered for Board evaluation were Board Membership, Board's Culture and Relationships with Key Constituencies, Board Responsibilities, Decision Making and Board Committees. During the evaluation process, the Directors have given ratings of either 'Strongly agree' / 'Agree' on various assessment questions.

A consolidated report was shared with the Chairman of the Board for his review and feedback to each Director.

12. Board Meetings:

During the year under review, the Board of Directors of the Company met four (4) times on the following dates:

- May 26, 2022 (adjourned and concluded on May 27, 2022)
- July 21, 2022
- November 4, 2022
- February 6, 2023

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on May 26, 2022.

Committees of the Board:

As required under the Act and the Listing Regulations, the Company has constituted the following committees:

i. Audit Committee

ii. Nomination and Remuneration Committee

iii. Stakeholders Relationship Committee

iv. Risk Management Committee

v. Corporate Social Responsibility

vi. Environment, Social and Governance (ESG) Committee

A detailed note on the composition of various Committees of the Board and their Meetings including the terms of references are given in the Corporate Governance Report forming part of this Board's Report.

Further, pursuant to resignation of Ms. Nishi Vasudeva and appointment of Ms. Meena Ganesh as an Independent Director of the Company, the Board of Directors at their Board Meeting held on May 24, 2023, has reconstituted the composition of certain Committees with effect from May 24, 2023.

13. Directors' Responsibility Statement:

The Board of Directors hereby confirms that:

a. in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual financial statements on a going concern basis.

e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Corporate Governance Report:

The Company is committed to upholding the highest standards of Corporate Governance and follows the Corporate Governance requirements set out by the Securities and Exchange Board of India (“SEBI”). In addition, the Company has included various best governance practices.

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance including a certificate from M/s V. Sreedharan & Associates, Practicing Company Secretaries confirming compliance is annexed as **Annexure-C**, forming an integral part of this Report.

15. Statutory Auditors:

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/ E300004) were appointed as Statutory Auditors, for a period of five years, to hold office from the conclusion of first Annual General Meeting until the conclusion of the sixth Annual General Meeting at such remuneration as may be mutually agreed amongst by the Board of Directors and the Statutory Auditors.

There are no qualifications or adverse remarks in the Statutory Auditor’s Report for the financial statements for the financial year ended March 31, 2023, which requires any explanation from the Board of Directors.

16. Cost Audit and Cost Auditors of the Company:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, appointed M/s. Ashwin Solanki & Associates, Cost Accountants (Registration No: 100392) as Cost Auditor of the Company, for the financial year 2023-24 for conducting the audit of the cost records maintained by your Company.

A certificate from M/s. Ashwin Solanki & Associates, Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder and they are not disqualified to be appointed as Cost Auditor.

A Resolution seeking Shareholders’ approval for remuneration payable to Cost Auditor forms part of the Notice convening the fourth Annual General Meeting of your Company and same is recommended for your consideration. Cost Audit and Compliance reports for the financial period 2021-22 were filed with the Registrar of Companies, within the prescribed time limit.

17. Secretarial Audit:

Pursuant to provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto, the Board of Directors of the Company have appointed BMP & Co. LLP (LLPIN: AAI-4194), Company Secretaries, Bengaluru, to conduct the Secretarial Audit for the financial year 2022-23.

The Secretarial Audit Report (Form MR-3) for the financial year ended March 31, 2023, is annexed as **Annexure-D** forming an integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

18. Secretarial Standards:

The Board of Directors affirms that the Company has complied with applicable Secretarial Standards on board meetings and general meetings issued by the Institute of Company Secretaries of India (ICSI).

19. Branch Offices:

During the year under review, the Company has branch offices in Nepal, Bangladesh and Sri Lanka. All these branch offices are operational. The branch offices are undertaking business operations in respective countries. The branches play a key role in supporting the Company to penetrate the market by providing local support for various business activities.

Through these branches, your Company is engaged with a wide spectrum of customers (Utilities, Industries, Distributors, OEMs etc.) in their respective countries.

20. Branch Auditors:

In terms of provisions of sub-section (8) of Section 143 of the Act read with Rule 12 of the Companies (Audit and Auditors) Rules, 2014, the audit of the accounts of the branch offices of the Company located outside India is required to be conducted by the person(s) or firm(s) qualified to act as Branch Auditors in accordance with the laws of that country.

In this regard, the Company has secured the Shareholders' approval at its Third Annual General Meeting held on July 21, 2022 for authorizing the Board of Directors/ Audit Committee to appoint Branch Auditors for any branch office of the Company from time to time.

The Board of Directors at their Meeting held on February 6, 2023 has appointed the following branch auditors for the Branch Offices of the Company to conduct the audit for the financial year 2022-23:

Branch office of the Company	Name of Branch Auditors
Bangladesh Branch	Md. Abdus Satter Sarkar, FCA, Partner of Mahfel Huq & Co., Chartered Accountants (Firm Registration Number: P-46323)
Sri Lanka Branch	Keerthi Mihiripenna & Co, Chartered Accountants (Firm Registration Number: WP 1419), Colombo
Nepal Branch	Shashi Satyal, Partner of TR Upadhya & Co., Chartered Accountants (Firm Registration Number: 6)

21. Environment, Social and Governance (ESG) Committee and Business Responsibility and Sustainability Report (BRSR):

The Company is on a continuous improvement journey for creating long-term value for its stakeholders.

In accordance with the guidance note for Environment, Social and Governance Reporting issued by the SEBI, the Company has constituted the Environment, Social and Governance (ESG) Committee at its Board Meeting held on October 22, 2021.

The details of the performance and reporting under ESG as a part of mandatory disclosure from the financial year under review are included under the Business Responsibility and Sustainability Report forming part of the Board's Report.

Further, the sustainability initiatives taken by the Company including sustainable development goals from an environmental, social and governance perspective is available on the Company's website and can be accessed at https://www.hitachienergy.com/in/en/sustainability/sustainability-overview

22. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company:

During the financial year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company.

23. Deposits:

During the year under review, the Company has neither invited nor accepted any deposits falling under the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 framed thereunder.

24. Particulars of Loans, Guarantees or Investments:

During the financial year under review, the Company has not granted any Loans, Guarantees, or made investments within the meaning of Section 186 of the Act.

25. Borrowing Limits:

The Board of Directors of your Company, at their Meeting held on May 24, 2023 has approved and recommended to the Shareholders for approval to increase the existing borrowing limits of the Company from ₹ 6,000 Crores to ₹ 6,500 Crores by enhancing the fund based limit by ₹ 500 Crores. As a result, the revised borrowing limits would be ₹ 6,500 Crores (Rupees Six Thousand Five Hundred crores only) consisting of ₹ 1,500 Crores towards fund based limits and ₹ 5,000 Crores towards non-fund based borrowings facilities.

The Resolution for increase in borrowing limits of the Company is subject to approval of the Shareholders in the ensuing 4th Annual General Meeting of the Company.

26. Related Party Transactions:

The Board of Directors has adopted a policy on Related Party Transactions. The objective is to ensure proper approval, disclosure, and reporting of transactions as applicable, between the Company and any of its related parties. The policy on related party transactions is available at https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies

Particulars of the Contracts or Arrangements with related parties referred to in Section 188(1) in the format specified as Form AOC-2 forms part of this Report as **Annexure-E**. Further details of related party transactions are provided in Notes to Financial Statements.

All contracts or arrangements with related parties were entered into only with prior approval of the Audit Committee, except transactions that qualified as Omnibus transactions as permitted under law.

There were no materially significant related party transactions that could have potential conflict with the interests of the Company at large.

Details of the transaction(s) of the Company with the entity(ies) belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required under Para A of Schedule V of the Listing Regulations are provided as part of the financial statements.

27. Internal financial control systems and their adequacy:

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically. The details of Internal Control System and their adequacy are provided in the Management Discussion and Analysis section forming part of this report.

28. Audit Committee:

During the year under review, there was no change in the composition of the Audit Committee. The powers and role of the Audit Committee are included in the Corporate Governance Report, which forms an integral part of the Board's Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

29. Reporting of frauds:

There was no instance of fraud during the financial year under review, reported by the Statutory Auditors, Cost Auditors and Secretarial Auditors that were required to be reported to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed thereunder.

30. Whistle Blower Policy/ Vigil Mechanism:

The Company has adopted a whistle blower policy/ vigil mechanism for Directors, Employees and third parties to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct, leak of unpublished price sensitive information and related matters.

This mechanism also provides adequate safeguards against the victimization of whistle blowers who avail of the mechanism. The whistle blowers may also access their higher level/ supervisors and/ or the Audit Committee. The Whistle Blower Policy is available at https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies

31. Risk Management Policy:

The Company has in place the Risk Management Policy and constituted the Risk Management Committee as required under the Companies Act, 2013 and Regulation 21 of SEBI Listing Regulations.

The Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management.

The details of the Committee and its terms of reference are set out in the Corporate Governance Report and Management's Discussion and Analysis Report forming part of this Report.

32. Corporate Social Responsibility (CSR):

Corporate Social Responsibility (CSR) Committee has been constituted in accordance with Section 135 of the Companies Act, 2013. The details of the composition of the Committee, scope and functions are listed in the Corporate Governance Report annexed to this Board's Report.

The CSR Policy formulated by the Corporate Social Responsibility Committee and approved by the Board continues unchanged. The policy can be accessed at https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#other-reports

During the year under review, the Company has spent ₹ 1.63 Crores on CSR activities (both ongoing and other than ongoing projects). The Annual Report on CSR activities as required under Section 135 of the Companies Act, 2013, read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as **Annexure-F** forming an integral part of this Report.

33. Annual Return:

Pursuant to Section 92(3) of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Company has placed a copy of the annual return on its website and the same is available at https://www.hitachienergy.com/in/en/investor-relations/general-meetings#annual-generalmeeting

34. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The particulars relating to the Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, is provided in **Annexure-G** forming an integral part of this Report.

35. Particulars of Employees including Remuneration of Directors and Employees:

The details related to remuneration and other details of the employees drawing remuneration under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. None of the employees listed as per above are related to any Director / KMP of the Company.

In terms of Section 136(1) of the Companies Act, 2013 and the Rules made there under, the Annual Report is being sent to the Shareholders and others entitled thereto excluding the aforesaid disclosure. Any Shareholder interested in obtaining the same may write to the Company Secretary & Compliance Officer at investors@hitachienergy.com.

36. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place a policy in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules thereunder that mandates no tolerance against any conduct amounting to sexual harassment of women at the workplace.

The Company has also constituted an Internal Complaints Committee (ICC) for reporting and conducting inquiries into the complaints made by the victim on harassment at the workplace. Throughout the year, training and awareness events are held to instill sensitivity towards creating a respectful workplace.

During the financial year under review, no complaints pertaining to sexual harassment of women employees were received. Further, the Company has a web portal known as "Hitachi Energy Ethics Web Portal" wherein employees can report/ raise the workplace harassment concerns/ related incidents. The complaints as received via this Portal was redressed and brought to the attention of the Audit Committee of the Board from time to time.

37. Insolvency and Bankruptcy Code, 2016:

During the financial year under review, neither any application nor any proceeding was initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

38. Fractional Shares:

Pursuant to the Scheme of Arrangement, entered into between (i) ABB India Limited ("INABB"/ "Transferor") and ii) the Company ("Company"/ "Transferee") and their respective shareholders and creditors, in accordance with the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, the Company has allotted shares of the Company to the shareholders of ABB India Limited in accordance with the share entitlement ratio.

Out of the total shares allotted to the shareholders of ABB India Limited, the Company allotted 9,266 Equity shares (pursuant to fractional entitlements of Members of ABB India Limited as per share entitlement ratio) to Hitachi Energy India Limited Fractional Shares Trust 2019 ("Trust") on December 24, 2019. Catalyst Trusteeship Limited ("Catalyst") is acting as Trustee to the Trust effective April 30, 2020.

The total amount paid as on March 31, 2023, stood at ₹ 61.17 Lakhs consisting of 19,894 Members eligible for the value of such fractional shares and the total amount remained unpaid as on March 31, 2023 stood at ₹ 2.11 Lakhs pertaining to 725 Members eligible for the value of such fractional shares.

Further, on November 26, 2022, a reminder letter was sent through registered post to all unpaid shareholders wherein the Company has requested the unclaimed shareholders to claim the unclaimed fractional share sale proceeds by submitting the Letter-Cum-Indemnity in the format shared with them.

39. Acknowledgements:

The Board of Directors wishes to place on record their appreciation for all the guidance and cooperation received from its parent Company and all its customers, members, suppliers, investors, shareholders, vendors, partners, bankers, associates, government authorities and other stakeholders for their consistent support to the Company in its operations.

The Board of Directors also records their appreciation of the dedication of all the employees at all levels and their commitment to ensuring that the Company continues to grow.

By order of the Board

For Hitachi Energy India Limited

(Formerly known as ABB Power Products and Systems India Limited)

Achim Michael Braun

Chairman

DIN: 08596097

Place: Bengaluru

Date: May 24, 2023

Annexure – A to Board’s Report

Management Discussion & Analysis

Industry structure and developments

Economic & market overview

This year, India’s economy outpaced the United Kingdom’s, making it the fifth-largest economy in the world. After two disruptive years due to the pandemic, the financial period 2022-23 was set to be one of global recovery and renewal. Projections estimated global economic growth in 2022 would be around 5 percent. However, various segments of the economy continued to face the long-tail impact of this unprecedented adversity with sustained high-ranging and volatile commodities and semiconductor prices.

The war in Ukraine was a “massive and historic energy shock” to the markets, and was one of the main factors that had slowed global economic growth, according to a November 2022 report by the Organisation for Economic Co-operation and Development (OECD). In addition to the tragic human toll, the conflict has crunched supplies of grain, fertilizer and energy along the value chain, resulting in sharp hike in inflation. The pandemic-induced contraction of the global output, various supply chain and logistical bottlenecks from Ukraine, followed by China’s zero COVID policy exacerbated the situation, and caused governments to reevaluate their dependency on just-in-time globalized supply chains, in some cases giving impetus the rise of near-shoring and friend-shoring.

Also as a result of high inflation, the central banks across economies, led by the US Federal Reserve Bank, responded with synchronized policy rate hikes to curb inflation. The rate hike by the US Fed drove capital into the US markets, causing the US Dollar to appreciate against most currencies, which for the country led to the widening of the Current Account Deficits (CAD) and increasing inflationary pressures in net importing economies like India.

The rate hike and persistent inflation also led to a lowering of the global growth forecasts for 2022 and 2023 by the International Monetary Fund (IMF) in its October 2022 update of the World Economic Outlook. This accompanied with geopolitical challenges further contributed to weakening the growth forecasts.

In FY 2022-23, India faced multiple roadblocks of economic challenges, with recessionary tendencies in major advanced economies triggering monetary tightening, central banks responding with synchronized policy rate hikes to curb inflation. While supply-side issues threw a spanner in the works the domestic demand remained robust, providing the much-needed backing to the Indian economy.

As a result, despite these headwinds, India remained one of the fastest-growing major economies in FY 2022-23, outpacing some advanced economies like China. Working in tandem government and regulators leveraged the twin levers of macroeconomic policy – fiscal and monetary – to rein in inflation. The central bank of India focused on reducing food inflation while continued Capital Expenditure by the central government - which increased by 63.4 percent in the first eight months of FY 2022-23 – was a significant growth driver of the Indian economy in the year.

The optimistic growth was bolstered by several positives like the rebound of private consumption, higher capital expenditure, near-universal vaccination coverage and the return of market confidence. India’s economic growth in FY 2022-23 has been primarily led by domestic consumption and capital formation. Furthermore, India’s second-largest vaccination drive, involving more than 2 billion doses, had also lifted consumer sentiments prolonging the rebound in consumption.

In its budget for FY 2022-23, the government increased capital expenditure by 25 percent. Roads, railways, airports, ports, mass transport, waterways, and logistics infrastructure were identified as crucial engines to drive PM Gati Shakti (National Master Plan). To facilitate domestic manufacturing for the goal of 280 GW of installed solar capacity by 2030, the government expanded its Production-Linked Incentive scheme (PLI) to include additional allocation for manufacturing of high efficiency solar power modules.

This initiative, while encouraging the local capacity buildup as a part of the Atmanirbhar Bharat Campaign, helped India step up in the global map as a manufacturing destination. Furthermore, the PLI scheme proved a critical component, to the ongoing energy transition.

The energy sector continued to garner interest as the country aims to build sustainable and green future. Following its 2030 target of meeting half of the energy needs through renewable sources, the country focused on capacity augmentation, adding more than 15 GW of Renewable Energy(RE) Capacity in FY 2022-23.

Power sector overview

India continued to take concrete steps toward a green future and a sustainable environment, with ambitious energy transition goals aligned with the Paris Agreement. The year 2022-23 marked as an important milestone in India’s energy journey as the government continued to pursue decarbonization and power reforms. This year was marked by some historic reforms toward capacity building for renewable energy sources, renewable manufacturing boost, electric mobility, coal gasification, and the also the National Green Hydrogen Mission demonstrating strong government will to help the country achieve its energy transition goals.

Some of the major announcements in the journey toward decarbonization, included the National Green Hydrogen Mission with an initial outlay of ₹ 19,744 crores. This ambitious mission aimed at positioning India as a global leader in green hydrogen production and export, with a target of 1 GW hydrogen production capacity by 2024-25 and 10 GW by 2030. The incentive focused on producing green hydrogen and producing electrolyzers and, research and development.

India has been exploring renewable energy sources like wind, solar, and biomass to achieve its energy transition goals. As of the close of 2022, a total of 172.72 GW of capacity from non-fossil fuel sources was installed in the country accounting for more than 42 percent of total installed generation capacity in the country by December 2022. Furthermore, the government announced developed a Rooftop Solar Scheme and launched a national portal (solarrooftop.gov.in) for higher participation of residential consumers for rooftop solar initiative.

India took a big step toward achieving non-fossil fuel-based electricity installed capacity by announcing a comprehensive plan to evacuate power from the planned renewable capacity by 2030. As of March 2023, the installed electricity generating capacity in the country is 412.2 GW comprising of 168.9 GW renewable energy generating capacity (including large hydro), which is about 40 percent of the total installed electricity generating capacity. India has envisaged to increase the non-fossil fuel based installed electricity generation capacity to 500 GW. However, the gestation period of wind and solar based electricity generation projects is much less than that of transmission system and hence work on the evacuation infrastructure needs to commence well in advance. The government announced Inter-State Transmission System (ISTS), for more than 500 GW of renewable energy capacity and transmit the clean energy to the load centers. This plan includes setting several HVDC transmission corridors for the evacuation of renewable energy from large potential zones.

Electric vehicle (EV) has been another area of focus - with a vision of increasing the share of EV sales to 30 percent in private cars, 70 percent in commercial vehicles, 40 percent in buses, and 80 percent in two-wheelers and three-wheelers by 2030. In absolute numbers this would translate to 80 million EVs on Indian roads by 2030, enabled through initiatives like FAME and National Electric Bus program. Furthermore, Mission 100 percent rail electrification continued to bring energy efficient and eco-friendly mobility reducing dependence on imported crude oil.

Datacenters has been another significant demand driver for electricity. ICRA expects the data center sector to witness a six-fold capacity increase in the next six years. Data center capacity is set to touch 4,900-5,000 MW from the current <1,000 MW. The growth in data centers will require a reliable and sustainable source of electricity.

Such rising electrification, growing industrialization and consequent urbanization have had its bearing of the power consumption with the demand growing steadily year on year. India has been amongst the highest consumer of power. Last year, the country reached 211GW of power demand, an all-time high.

In 2022, the rate of power consumption increased by over eight percent, nearly at the double pace of the Asia Pacific region. In response to the peaking energy demand, the country supplied a record high of 4,700 million units. Given the rising appetite for electrification is likely to continue to outpace addition of generation capacity this year.

Business overview & strategy

Hitachi Energy is focused on advancing the world's energy system, making it more sustainable, flexible and secure. Your Company's role is critical as the industry urgency to move away from fossil fuels is greater than ever. Our society needs an evolved power system with electricity as the backbone. By 2050 India will need to transfer three times more electrical energy than today, 80 percent of which is expected to be from fossil free sources.

The power system needs to be transformed at unprecedented speed, and to achieve this, we collaborate with our customers and other partners to deliver and support a sustainable energy future, through continuous innovation of technologies, systems, and equipment. The Company serves customers in the utility, industry and infrastructure sectors with innovative solutions and services across the value chain, through four businesses - Grid Automation, Grid Integration, Transformers and High Voltage Products.

An extensive portfolio of smart solutions ranging from renewable integration and energy storage, through enterprise asset management and e-bus Charging, to energy service, IT, OT and core traditional products are manufactured across 19 factories in eight manufacturing locations. Over 2323 employees spread across manufacturing and 18 sales touch points are committed to serving over 1,000 customers across the power value chain. Your Company's deep footprint, with largest installed base, and competent local capabilities comprising of researchers, scientists, production engineers, field engineers and software developers, and functional talent, are at the center of India's clean energy transition.

Despite India's status as an emerging market for renewable energy, it is expected that even in 2050, coal will command around a quarter of India's electricity generation, while wind and solar will account for two-thirds. As a technology and innovation leader, your Company is well positioned to help accelerate these fundamental changes with the purpose-driven growth encompassed in our '2030 plan'*. Starting with recognizing and reiterating Safety, Integrity, Quality as our license to operate, the plan rests on three clear pillars:

- Firstly, the focus will be on the Company's core business – strengthen our leadership position and continue to deliver the record high order backlog in line with customer and partner commitments, hence securing and accelerating earnings and cash growth.
- Secondly, your Company will focus on growing its Digital and Service; expanding at the edge of the energy system. The agenda is to tap into the largest installed base in the country and leverage the market growth momentum to accelerate continued profitable growth and scaling of identified synergies. Your Company aims to deliver greater value across the entire value chain of our customers, from strategic planning to performance partner through the lifecycle of plan-build-operate & maintain.
- Last but not least, your Company will continue to drive innovation, synergies with customers and Hitachi Group companies, and find new partnerships to accelerate growth.

* https://www.hitachienergy.com/in/en/news/press-releases/2022/09/hitachi-energy-is-ahead-of-schedule-with-its-purpose-driven-growth-plan

While continuing to deliver to traditional customers i.e. utilities, growth in orders and revenues will be attributable to high growth segments outlined in our strategy - solar, wind, HVDC, data centers and rail – along with using the levers of service and exports.

The renewable market, with present installed capacity of solar at 60.8 GW and wind energy at 41GW, is poised for 5x and 3x growth respectively. Your Company have offering for the renewable market such as Electrical Balance of System Optimization, Evacuation S/S, energy & grid management automation, Dry Type Transformers and more. To efficiently transfer clean energy across the vast geography of the country, government is discussing projects to make the national grid more flexible and secure. Over the next 8-10 years the Company anticipates HVDC lines connecting utility scale solar generated at Leh, Kargil, Bhadla, etc.

The data center market in India is expected to add 45 data centers spanning about 13 Million square feet and 1,015 MW of IT capacity over the next three years. The Company provides S/S, GIS, Automation, Dry transformers solutions for datacenters.

Indian Railways, world's fourth-largest railway network, is undergoing a massive upgradation and expansion led by electrification of rail and adoption of energy efficient system. They have already announced various sizeable tenders for high density corridors or Mission Raftaar. Your Company has been a long-term partner of Indian Railways and we see significant opportunity here for our products and services.

Hitachi Energy India has a large installed base in the country. And this gives us a good market for leveraging services portfolio – across digitalized Classic Services, advanced Services and Servitized Solutions. Similarly for exports, with our manufacturing muscle, a quarter of our orders this year are exports-led and we will focus on building on this trend.

The Company believes that it is also growing electrification of transportation, industry, and building sectors with our purpose-driven growth plan.

Segment and product-wise performance

Operational overview

The climate and energy crises demands urgent action. To achieve a carbon neutral energy future, electricity will become the backbone of the future energy system. And as society decarbonizes and digitalizes, few companies have a more compelling role to play in advancing a sustainable energy future for all.

Hitachi Energy India started its standalone operations in 2019, after the demerger. At this juncture your Company had set itself a steep target of reaching ₹ 7,000 Crores in the next three years. Your Company takes great pride in reporting that at the close of FY 2022-23, total orders stood at ₹ 6,817 Crores. At the time of formulating the goal, it was impossible to foresee a once in a generation pandemic that would bring lives, supply chains and the global economy to a screeching halt. Your Company demonstrated leadership and resilience in the face of adversity – got itself listed in the first week of lockdown and then proceeded to march towards its goal, whilst placing the highest priority in the health and well being of its employees and communities.

Health, safety and sustainability

Through the long-tail of the pandemic the Company continued to grow its operations, while holding steadfast to the crisis team governance encompassing country and local levels which ensured safety protocols were respected despite a record low number of reported COVID-19 cases by the close of the year. Vaccination drives for booster dose were conducted across all locations for employees and their families. Employees were encouraged to find a balance between in person customer engagements and essential travel – this helped execute swift track, trace & isolation of the sporadic cases that were encountered during the second half of the year.

All employees testing COVID-19 positive were provided aide and assistance in treatment and home isolation; in case of aggravated cases they were admitted in hospitals and their progress and health status was monitored by Company doctors.

The new norm of remote working that helped circumvent the pandemic brought with it its own set of challenges and health implications. Regular webinars and virtual awareness sessions were conducted for families by Company doctors and external experts on wellbeing, desk yoga and ergonomics sessions and resilience trainings were organized.

Your Company's work is underpinned by Safety, Integrity and Quality. And it continues to resonate with its customers through our high service ethics. The Company continued organizing regular training sessions for its employees, contract staffs, and partners to reduce hazard and avert potential safety incidents. Through the year, targeting all types of on rolls and contract employees, your Company reiterated its licenses to operate. Your Company has conducted special sessions to spread awareness regarding Risk Management and Life Saving Rules, summer readiness at sites, and so on, to ensure our people and adapt to new norm measures and bring Safety & well-being into routine practice. Road Safety programs were organized in association with Hero MotoCorp - 23 Road Safety Program Sessions with more than 3,000 participants across locations. Agility and ownership at project sites was also recognized by several customers.

Health Safety and Environment is a key enabler of sustainable operations. Your Company's commitment to lowering the carbon footprint of our operations, product localization, and digitalization of the grid are the key focus areas defining success.

Last year, your Company announced its 2030 carbon neutral goals. The Company has set milestone defining its journey for operations in India. We modeled our strategies to implement this both ground up and top down, to meet the urgency and pace of change required to reach a carbon-neutral future. In pursuit of our targets, we achieved 100 percent fossil-free electricity consumption in our factories and offices in December 2021. And through the period under discussion transformed how we source our green electricity – from a mix that included renewable energy certificates to one that has evolved to a mix that is led by state utilities and independent clean power generators. In some locations, rooftop solar generation has also gained steam along with off-grid solar power for our project site offices, cutting down on polluting diesel consumption.

Energy assessments were conducted across our manufacturing locations and qualified volunteers are undergoing Bureau of Energy Efficiency Certified Energy (BEE) Manager, who will then lead their respective locations on an energy efficiency transformation journey. With faith in the adage – what gets measured, gets done – your Company has implemented Green House Gas Standard and is in the process to adopting Smart Metering across all locations. Steering Committees (STECOs) with location ownership and management buy-ins helped ensure cadence and continuity in our sustainability plans. Environment-friendly Piped Natural Gas (PNG) replaced diesel for certain energy-intensive processes in three transformer factories. The Environmental, Society and Governance Committee (ESG) of Board of Directors continued to provide oversight and course correction to ensure the Company meets its goals.

New technologies; New capabilities

Innovation-based R&D is key to your Company's differentiation in the market. The activities are carried out in the global R&D and technology centers as well as R&D embedded in the local businesses, leveraging local competence for creating social, environmental, and economic value, globally.

Keeping pace with the rapidly evolving energy landscape, your Company launched several fresh solutions that apply the intelligence of digitalization to help customers to plan ahead, make better informed decisions and create more value. Foundational blocks such as bringing 5G connectivity to mission-critical industrial and utility operations will be made possible by TRO600 series wireless routers with 5G capability, which are purpose-built to help industrial and utility customers achieve high reliability and resiliency in mission-critical operations.

Hitachi Energy India's hybrid connectivity solutions can provide a combination of interoperable technologies on a single communication network, enabling applications for edge devices, mobile devices, and field networks, spanning environments from dense urban to ultra-rural. A hybrid system can ensure seamless industrial communications even when specific connectivity options may be unavailable or hampered.

Such networks will be critical in harnessing the power of digital transformers, like the next-generation TXpert™ Hub launched in February 2023. This advanced digital technology is the heart of the TXpert™ Ecosystem for transformer's digitalization and has been rebuilt from the ground incorporating the latest advances in communications technology and cybersecurity. It is conceived to connect all the digital transformer sensors to aggregate and analyze the data, providing digital connectivity and enabling local and remote monitoring to reduce cost, optimize operation, extend life expectancy, and enhance performance.

While increased digitalization and automation will be central to greater integration of renewable energy sources into the power system, hardware too has to be reengineered for demanding environs on tomorrow. Offshore wind has the potential to generate more than 4,20,000 TWh per year worldwide. This is more than 18 times global electricity demand today. To harness such energy, your Company has launched its OceaniQ™ portfolio - a step-change in delivering the energy needs of tomorrow through a ruggedized, proven technology that addresses the unique challenges of the offshore energy environment. Combining cross-industry competence from the power and marine sectors, the portfolio addresses applications for fixed platforms, floating structures and sub-sea power systems for wind, marine and other offshore operators.

Digitalization and service are key enablers for sustainable and profitable growth. Your Company strengthened its portfolio with the launch of Lumada Inspection Insights that uses via intuitive visuals of your assets and infrastructures' health and risk profiles via AI-driven analyses of images collected from satellites, still or video images to provide insights for better asset management and service planning.

Your Company is making timely progress with its portfolio that is strengthening, expanding, and evolving the power system. The business is focusing on continued localization of its global product portfolio, building indigenous capabilities and products, as well as creating new jobs. The Company is also continuously evaluating the energy and demand landscape and the necessary steps we must take to keep ourselves relevant to deliver cutting-edge solutions to our customers in India and around the world.

In May 2022, your Company inaugurated the first manufacturing facility in India producing Resin Impregnated Paper bushings up to 400kV voltage level. Strengthening India's power grid - one of the largest operational synchronous grids in the world - is vital for the country as it aims to integrate a greater share of renewables in a step towards its carbon neutral ambitions. Resin Impregnated Paper bushings offer an improvement over traditional oil-based alternatives by preventing moisture ingress, oil leakage and reducing risks of fire in case of failure. This technology enables operators to make the grid safer while reducing downtime and maintenance costs.

In August 2022, your Company's greenfield manufacturing facility for High Voltage Power Quality products was inaugurated by the Sri Basavaraj Bommai, then Chief Minister of Karnataka. This facility doubles the existing production capacity of advanced capacitor units, banks and other products. These products find application in power utilities, industries, renewables and transportation segments to improve efficiency and reduce energy waste. As a part of Hitachi Energy's global manufacturing network, this facility will offer direct and indirect employment and nurture an ecosystem of local suppliers across the manufacturing value chain. It closely aligns with Prime Minister's Mission Innovation to accelerate public and private clean energy innovation to address climate change, make clean energy affordable to consumers, and create jobs and commercial opportunities. Manufacturing of electrical equipment is an energy intensive process keeping sustainability goals in mind, we have adopted some innovative processes for the factory that reduce electrical energy consumption per process step by almost 40 percent.

Also in August 2022, your Company added capacity in terms of a new factory for production of Operating Mechanism of circuit breaker. As part of our operations in Maneja, Vadodara, this production facility is dedicated for catering increasing demand from global and local customers for operating mechanism like FSA and BLG (industry standards of drives), which have a wide range of applications in various circuit brakers all over the world. Factory is equipped with state of art assembly stations by using latest technology of equipment. Lean principles in practice, like single prices flow, optimized material flow, supermarket for sub-assemblies and finished goods etc. It is also equipped with testing facility required for routing testing of FSA, as a part of end of line control.

The exponential rise in capex focused initiatives around integration and transmission of 500GW+ renewable energy to bring clean energy to every household eventually reaching net zero is an opportunity that your Company must harness to the fullest. The comprehensive renewable integration plan focuses on strengthening the country's transmission system – including an estimates of ₹ 2.4 Lakh Crores expansion of the Inter State Transmission System (ISTS), with an additional ₹ 2.16 Lakh Crores to develop 268 GW on-shore renewable energy capacity, and ₹ 28,100 Crores for 10 GW offshore wind energy capacity.

In anticipation of such demand, Your Company during FY 2022-23 launched the advanced power system factory in Chennai. The new factory will manufacture advanced power electronics for HVDC Light®, HVDC Classic, and STATCOM, together with MACH™ control and protection system, the brain behind our advanced transmission and power quality solutions. This factory will serve both the fast growing Indian market as well as the large global demand for clean energy solutions to integrate renewables at scale and at speed that it is needed. It is the latest HVDC factory built and the world's second testing lab of power quality control solutions. It will cater to the rising number of high-voltage transmission projects in India and export to support global HVDC installations.

Your Company is proud to be contributing to the country's growth story by bringing industry-leading experience, deep domain knowledge and pioneering technologies that support our stakeholders with accelerating the global energy transition.

Hitachi announced acquisition of remaining shares from ABB

Global parent Company Hitachi Ltd. announced acquisition of remaining shares from ABB by close of December 2022 - well ahead of schedule, further supporting Hitachi Energy's 2030 Plan. This acquisition will provide opportunities for accelerating the synergies between businesses and functions e.g. R&D, IT transition , common shared services. It has helped us move forward and continue with trusted partnerships and collaboration with customers, partners which is essential to finding the solutions our world needs.

Discussion on financial performance with respect to operational performance

Performance during the reporting period

Your Company's success is a result of its focused strategy, diversified portfolio, and its relentless pursuit of improving the bottom-line. Through the year, the supply side constraints evolved – while pressure from commodities and freight prices eased in the second half, semi-conductor crunch persisted; especially with the deferred opening of the Chinese market. Energy transition, electrification of industries and rail, pick up datacenter investments and continued focus on renewables drove orders. The Company closed the year with the highest-ever order backlog annually at ₹ 7,070.9 Crores, which provided healthy revenue visibility. Through the year, your Company had some significant order wins including, but not limited to:

Renewable evacuation & integration

- 10 Nos. 315MVA, 400kV class Transformers from NTPC for Solar Power evacuation. Your Company would be first in India to conduct short circuit test on this rating of transformer & would contribute towards reliable green energy evacuation
- Renew: 400kV & 220kV AIS S/S order
- Sembcorp: AIS S/S orders for Wind & Solar

Green Corridors & state networks

- PGCIL: 500MVA 400kV transformers
- PGCIL: 2x 500 MVA 400 kV Transformers
- PGCIL: 4X110 MVAr,13X80 MVAr, 765kV Reactor
- Adani Transmission: 19 X 500 MVA 765kV Transformers & 3 X 110 MVAr 765kV Reactors
- Adani Transmission: 13x500MVA 765 - 400kV Transformers
- Adani Transmission: 20 x 110MVAr 765kV Shunt Reactor

Transport

- 12 Nos. 100MVA Scott connected transformers for Western Railway through BNC Power & 15Nos V Connected Transformers through Chetak ent. The Company would be among the first suppliers to complete all RDSO qualifications to supply these transformers in Indian Railways, strengthening electrification and readying for higher load
- 190 Nos. Loco Transformers from Indian Railway entities, contributing towards increased mobility on electricity
- Dry Transformers for Agra Metro, Pune Metro, Bhopal Metro, Indore Metro and Chennai Metro from various OEM/EPC maintaining our leading market position in Metro segment

Datacenters

- CTRLS: 220/33kV GIS at Chennai
- Multiple orders for Dry Type Transformers for leading Datacenters
- Yondr Datacenter: CRP-SAS and FOTE

Industries

- Aditya Aluminium - 400 kV AIS Bay Extension at Lapanga
- Aditya Aluminum: 400/220kV AIS S/S
- Reliance Jamnagar: 174 MVA 220 / 33kV and 500 MVA 400/22kV digital transformers
- SMIORE: 220/11kV GIS SS-MRSS & LILO

HVDC

- Adani: 1000MW Mumbai Infeed HVDC

Your Company booked a major order from Adani Electricity Mumbai Infra Limited to provide a High Voltage Direct Current (HVDC) transmission system which will link Kudus to Mumbai. Mumbai is experiencing a rapid increase in electricity consumption, seeing peak demand increasing to 3,850 megawatts (MW) in 2022, of which around 2,100 MW was supplied from outside sources. The game-changing 1,000 MW HVDC link will increase the supply of power to the city by almost 50 percent, paving the way for utilities in the country to adapt to the grid of the future. It will be a key enabler in Mumbai's Climate Action Plan, aiming to become the first city to become carbon neutral in South Asia. Your Company has an impressive HVDC track record in India, where it introduced the technology over 30 years ago with the Vindhyachal project in 1989. Raigarh-Pugalur is Hitachi Energy's sixth HVDC project in India and the second UHVDC installation, following the multi-terminal North-East Agra link.

Your Company's expertise is also being leveraged by several state and national utilities in setting up studies and simulations of greater renewable integration. Your Company's technologists in the Power Consulting Services Businesses collaborate closely with generators to regulators in determining the most effective standards and technologies for a cleaner energy network.

Your Company also booked orders to supply power transformers for part of India's largest solar park, NTPC's upcoming 4.75 GW renewable energy park in Gujarat. Spread over 72,600 hectares in Kutch. As part of this project, Hitachi Energy India will provide ten 315 MVA 400/33/33 kV transformers manufactured at the Transformers factory in Vadodara. This will be the largest rating of transformer, used by solar power evacuation so far. The made-in-India power transformers are critical components in power systems. They pool the generated power from the renewable source and step it up at the pooling station to synchronize and feed into inter-state/intra-state transmission system. Their availability and longevity have a major impact on grid reliability and better voltage control even with intermittent supply while the Company's eco-design transformers enable sustainability requirements.

From utilities and industries to transportation and infra, customers are understanding the urgency of the pace of change needed to reach Net Zero.

The increase in speed and frequency of trains to support the fast urbanization and the growing demand for mobility in the region requires an efficient and reliable rail transportation system. India launched commercial operations of the Vande Bharat Express – the world's first semi-high-speed passenger train on high-rise overhead electric big case for Over Head Electric (OHE) territory. It is India's first indigenously designed and manufactured semi-high speed and self-propelled train set that your Company has locally designed, developed and engineered. The unique Scott Transformers, addresses different challenges while meeting the project schedule with the highest quality standards and robustness while minimizing the throughput time.

Post COVID-19 capex spends of industries is witnessing an increasing share of investment in digitalization of their asset base. Your Company has expanded its installed base of its TXpert™ Ecosystem in India's largest steel manufacturer's operations. Being open, scalable, secure, and vendor-agnostic, TXpert™ brings the knowledge and intelligence of a thousand transformers – delivering actionable data-driven insights from field to the boardroom, with real impact on reducing costs, optimizing operations, extending life expectancy, and enhancing environmental performance.

In another example of field to boardroom, Hitachi Energy India collaborated with India's largest private transmission Company to develop their Energy Network Operations Center (ENOC), which serves as the operations and control center for all their transmission and distribution substations. The Company has deployed 18,000 circuit kilometers of transmission lines with 3 Million power connections at 99.87 percent network availability. The center uses a cloud-based platform and adopts machine learning and data analytics-driven decision-making. It will leverage your Company's state-of-the-art MicroSCADA X automation platform to offer 24x7 real-time monitoring, control, and protection of mission-critical power assets to maximize grid efficiency and prevent costly disruptions and outages. Hitachi Energy's solution enables minimal manual intervention, reduces maintenance costs, and supports increasingly complex operations. Its real-time intervention input to site O&M teams for corrections will help the customer meet the need for affordable, reliable, and sustainable energy. In the long run, our system will help ENOC manage the planned transition of its asset portfolio to a low-carbon future in a safe, organized, and sustainable manner.

Your Company's booked orders for the financial period under review – April 2022 to March 2023 – totaled ₹ 6,817.2 Crores, and revenue was ₹ 4,483.7 Crores. Profit-before-tax after exceptional items was ₹ 130.8 Crores and profit-after- tax ₹ 93.9 Crores.

Service

Your Company recognizes that the energy transition begins with existing infrastructure and installed base and no two customers are at the same position in their journey to net zero. Leveraging our century of experience and expertise, our dedicated teams deliver exceptional service solutions that cover the entire lifecycle of your assets, ensuring resilient operations. The Company works collaboratively with its customers to ensure their energy assets perform as expected and meet their business needs.

Through the period under review, the service portfolio continued to deliver with 10 percent growth year-on-year, covering a mix of retrofits, spares and digitalization. From providing first factory repairs of traction transformers to making successful Generator Circuit Breaker HEC7 overhauling, replacing third party SCADA and controls to rendering life cycle services orders for grid automation from heavy industry and utility customers – we have effectively provided comprehensive services in various segments. The Company also booked some breakthrough orders for GIS bay extension and Substation Automation Systems (SAS). As a partner across customers' plan-build-operate lifecycle, Hitachi Energy in India continued to provide technical expertise services such as renewable studies for utilities and engineering advisory for mining behemoths.

The Rihand-Dadri HVDC system evacuating power out of the 3000MW generated at the Rihand generating station is an essential link in the northern region. Your Company has maintained the project with technical support for 30 years to keep this critical HVDC link robust. In the digital era, the Company has made it possible to operate the HVDC stations remotely for the first time in India. In the period under review, your Company established remote operation of the +/- 500 kV 1500 MW HVDC Rihand Dadri Bi-Pole Terminals from National Transmission Asset Management Center, Manesar. By allowing the control of HVDC stations from a central location, operators no longer need to be physically present in the station control room, thereby enhancing efficiency and reducing costs. This innovation presents a promising future for the industry as it opens possibilities for monitoring, controlling, and operating all HVDC stations from a single location. The project includes the supply of engineered solutions and on-site services to achieve remote operation functionality. The recently upgraded Control & Protection system at Rihand Dadri HVDC link features the latest version of Hitachi Energy's most advanced digital MACH™ control and protection system. The MACH™ system monitors, controls, and protects the sophisticated hardware in the station, ensuring the highest possible reliability and efficiency. It incorporates advanced fault registration and remote-control functions and has been designed to run around the clock for decades.

Your Company also added new customer names to its portfolio with service orders from PSTCL, Vardhman, ST Telemedia. Leveraging synergies with the Hitachi Group, your Company booked its first order for Modular Switchgear Monitoring from Hitachi Japan and for servicing the group Company's GIS switchgear as well. Heavy industry customers from auto, steel, cement and ceramics, entrusted your Company with lifecycle service management of their assets. Other steel, O&G and power majors were first movers this year in adopting our RelScan solution. This digital solution uses a reliability algorithm based on the Failure Modes & Effects Analysis (FMEA) method to assign a level of importance to each asset in the system. Expert assessment and advanced algorithms are the foundation of informed decision-making.

Further renewable power generators and datacenter clients leveraged digital lifecycle partnerships under our RelCare solutions. RelCare is an open and transparent digital partnership agreement that combines asset management software with the expertise of Hitachi Energy. It enables asset and O&M managers to reliably and cost-effectively optimize system performance and protect crucial power assets. Your Company shares the responsibility with its customers through joint access to a user-friendly digital platform that can remotely monitor the maintenance of their assets. Hitachi Energy India believes in working collaboratively with its customers to achieve shared goals. The Company partners with its customers to find solutions that meet their unique needs and share our expertise and knowledge to help deliver a sustainable energy future.

Exports

Your Company had set its sights on a mid-term target for exports, contributing 20-25 percent of orders and revenue and has consistently breached this corridor through the period in review.

Orders flowed in from established export markets of Nepal, Bhutan, Middle East, Africa and the Americas. On-going global supply chain constraints and the geo-political issues are compelling global customers to look at alternative supply chain routes and partners. India has the potential to make its mark as a resilient partner offering high-quality products.

Specifically the Company secured its first direct supply order from Bhutan Power Corporation for circuit breakers of multiple ratings. As the nation readies to be a regional forerunner in hydropower and strengthen its own power network, your Company built on its installed base with several orders for capacitor banks, Bay Equipment, GIS switchgear and other substation components, from utilities and EPCs.

Across energy intensive heavy industries in the African continent - from copper mines in Congo and oil and gas refiners in Uganda – orders for core technologies such as 245 kV AIS products and power transformers continued to flow in. Your Company is also delivering technologies for power utilities in the region, including in Tanzania and Malawai, and across the European continent and western Asia, including Switzerland, Sweden, Denmark and Iraq, to support reliable, quality power in the farthest corners.

Understanding the shifting market dynamics and the reshaping supply chains, your Company has been proactively augmenting its manufacturing muscle to meet potential new demand. Today, 80 percent of Hitachi Energy's portfolio is locally manufactured in India and the manufacturing base in India also caters to the global requirements of five products supply from your comapny global feeder factories have been gaining ground around the world, helping us gradually expand our export markets. Doubling the capacity of Power Quality manufacturing with the greenfield establishment in Doddaballapur, and the new HVDC factory in Chennai are geared towards such requirement.

Also, earlier in the year, the high-voltage feeder factory in Savli commenced production of Dead Tank Breaker poles for US markets, with the introduction of 550 kV poles to the unit's current product portfolio. The new production facility is a dedicated lean production line, which can adjust its manufacturing requirements quickly when needed. It is equipped with a testing facility qualified for ASME standards to validate the design and construction of tank for pressure withstand ability. Despite the ongoing logistics challenges worldwide, the team completed construction, assembly-line setup, and installation of critical equipment, including the ASME test machine, EOT Crane installation, and production layout readiness within the targeted timeline.

Operational excellence

Your Company's strategic and structured investments in product lines and capabilities helped navigate it through the challenges of the pandemic. However, the twin challenges of COVID-19 and the conflict in Ukraine severely disrupted supply chains and negatively impacted commodity and freight prices for most of the period under review.

With this as the backdrop, your Company accelerated capex and strengthened talent to benefit from the shifting trade routes. However, the semi-conductor crunch and consequent adverse impact down the value chain was hard to shake off in the short term. Multiple factors were at play – starting off with a spiraling growth in the demand for semiconductors with the increasing digitalization and consumption of electronics and automotives. This, coupled with lagging impact of Covid disruptions and geo-political tensions have reduced semi-conductor supply to a trickle.

Leveraging deeply embedded expertise and agility, your Company attacked the problem by reassessing certain strategies that will help it steer through the turbulent times in the medium term, including - reducing dependency on the chips by redesigning products and increasing focus on product lines that do not depend heavily on semi-conductors, such as COMBILFEX, RTU, enterprise software and network control. Secondly, leveraging our global heft on stock-sharing and material allocation. The Company is proactively stocking some of the fast-moving electronic items to provide temporary hedging from the sky-rocketing product prices. While the global semiconductor manufacturers and the global supply chain organizations are continuously working towards striking the balance of demand and supply, it will take some time to reach ideal scenarios.

Continuing to strive for best-in-class operations your Company achieved IEC 62443 cybersecurity certification covering practices such as security management.

In other fronts, your Company's operational excellence was recognized by multiple stakeholders – from group Company to national industry bodies. The SCM Cost Engineering from High Voltage Products won the President Value Engineering Award 2022 for Cost Engineering, and Cross-Functional Team. As part of localization and cost optimization, the team formed a cross-functional team with finance function and engineering center to work on design optimization and develop local suppliers to reduce cost and lead time for dead tank breakers.

Since November 21, 2021 ever since becoming Hitachi Energy we have unwavering commitment to quality, customer-centricity and innovation which has helped us build relationships with our customers and stakeholders. The Company's focus on transparency and accountability has further cemented our reputation as a reliable partner and helped us earn the recognition of Most Trusted Brands of India by Marksmen group and the Golden Peacock Award for Corporate Governance.

Safety, Integrity & Quality

Safety, Integrity and Quality form the tenets of the Company's license to operate. A strong and constant focus is ensured throughout your Company's operations to drive the culture around these three tenets, for employees to internalize and feel empowered to champion them in any situation.

Safety is a vital element in our 'license to operate' and, as set out in your Company's Sustainability 2030* commitments, the aim is zero harm. Safety rules and procedures create 'barriers' that prevent potential incidents from happening. When fully applied they should prevent incidents. Sometimes there are gaps because one or more of our safety rules and procedures are not properly applied. That means the protection is not as solid as it could or should be and the consequences can be devasting.

A key role of the life-saving rules is to help keep our safety 'barriers' solid and everyone safe from harm. The Life Saving Rules (LSRs) apply to all employees and contractors regardless of work location or their role. LSR – eLearning is now mandatory for Hitachi Energy employees; helping them review their knowledge of safety practices, understand the decisions many colleagues need to make in safety-critical situations, and check what might happen if no timely and correct action is taken.

Hitachi Energy India activities lie in the electrical developmental ecosystem. You Company protects its employees from the risks derived from the manufacture, assembly, and maintenance of facilities or equipment where there is a likelihood of exposure to electrical risk. On job sites, working around electricity can be very safe when workers properly identify and control hazards. Inadequate training, lack of experience, and failure to recognize potential hazards could result in electric shock or death. This year nine electrical safety awareness (PICW) programs were organized for employees and contractors who perform an electrical work. Each program was for two days where total 230 employees were trained, assessed and certified.

Your Company passionately believes that to advance a sustainable energy future, it must put people at the heart of what it does. The Company wants to ensure that health, safety, and personal resilience of employees are developed and safeguarded. To ensure that our employees are equally safe outside on the road, Hitachi Energy organizes programs on safe driving at our workplaces in collaboration with Hero Motorcorp Limited.

Quality Circle Forum of India honored a team from Savli, Vadodara with the silver award at their annual Safety

* Refer page no 32 (BRSR report)

Convention, where the shared projects on Electrical Safety, aligning with QCFI's theme, "Life & Limbs are precious." This recognition highlights the team's commitment to maintaining a safe working environment and reinforces the Company's dedication to promoting safety initiatives.

Hitachi Energy India, during FY 2022-23 adapted the newly launched updated Hitachi Group Code of Ethics and Business Conduct. Your Company's integrity team actively contributed and provided input with our learnings to this single, universal Hitachi Group Code of Ethics and Business Conduct. The Code outlines the rules and principles designed to assist leaders and employees in making decisions and taking actions consistent with the Hitachi Group Identity and Values. Your Company is strongly invested in the process and holds sacred that it is not about box ticking, but about living with an integrity mindset. The ambition is for everyone in the organization to feel comfortable, empowered and free to speak up should they encounter an integrity issue, and the Code provides details on the speak-up channels available. All the concerns reported are subjected to appropriate investigation, follow up, and brought to full closure, adhering to the zero-tolerance policy for any violations. The outcome of all the concerns are reported to the Audit Committee.

Your Company's commitment to quality is integral to its core values as a responsible organization. The Company aims to exceed the expectations of our customers, employees, partners, suppliers, and shareholders and strive to deliver timely and quality products, systems, and services that meet or exceed customer expectations. To achieve this, the Company understand its customer needs, measure their perceptions, and continuously improve sour operations to enhance customer satisfaction. The Company believes in developing the skills and motivation of its people to add value to our customers through continuous training and development.

Initiatives & Collaboration

Through the year under review, your Company has been taking measures to maximize the value from its existing installed base, co-create value for customers and develop talent that will continue to bring social, economic and environmental value for the next generation.

Digital upgrades across installed base continued, while Hitachi Energy's own factories expanded the digital passport system to strengthen quality and operational transparency. Continuous process improvement approach helped identify areas of efficiency in operations, and accrue cost savings across its manufacturing locations, with employees across the value chain showing ownership and expertise. Your Company also continued efforts towards its carbon neutral agenda. By achieving 100 percent fossil-free electricity in operations, the Company reduced its CO_2 equivalent emissions by more than 45 percent since the start of the journey. In the period under discussion, the Company introduced rooftop solar for the electrification of four project site offices, added 938kW of permanent solar panel installations at its largest manufacturing location and is adopting Green House Gas Standard and Smart Metering across all locations.

Your Company believes that green infrastructure plays a key role in the development to support the growing urban population. To this end, we conducted renewable impact studies for over a dozen industry players, along with national load dispatch centers, for regulating usage patterns across different geographies. Such initiatives provide further encouragement for industries to use green energy for their power generation needs.

In addition, the cross fertilization of ideas and opportunities with Hitachi Group companies continued through the year, with a focus in areas of digitalization, smart cities, metro rail systems and railways.

Hitachi Energy India collaborates with customers, partners and policymakers to enable a sustainable energy future and has been progressing towards the commitment. As the pace of industry and government events picked up, your Company returned to traditional rendezvous such as Innorail, Elecrama, India Smart Utilities Week and were active contributors to policy discussions at forums such as Indian Electrical & Electronics Manufacturers' Association (IEEMA), Confederation of Indian Industry (CII), Central Board of Irrigation and Power (CBIP), International Council on Large Electric Systems (CIGRE), Invest Karnataka and India-Sweden Green Transition Partnership for creating a safer, greener and inclusive future. The Company also re-initiated its flagship Energy and Digital World on-ground, with technology conferences at Lucknow, Bhubaneshwar, Chennai, etc.

As part of strategic CSR initiatives, your Company built on the existing partnership with NIT-Warangal, inaugurating the smart electric grid lab for the students. Also it, provided electric vehicle infrastructure at NIT-Warangal and IIT-Roorkee, where the Hitachi Energy India sponsored Central Monitoring and Analytics Center that will launched soon for students to understand, explore and improve the smart city pilot running at the institute.

Research and Development (R&D)

Your business has consistently innovated and displayed a pioneering attitude throughout its existence. Since the Company's inception, this desire for innovation has been ingrained in its DNA. It has continually been acknowledged as a leader in the field of technological development. Your business has maintained its leadership position in the sector by delivering customer value using a solution-oriented strategy. The ability of your Company's brilliant professionals to consistently come up with innovative methods to meet consumer demands have been made possible by this philosophy of anticipating future customer wants, which has been fostered throughout the years. This has in turn assisted in addressing critical concerns.

As a testament to your Company's commitment to innovation, it has received numerous R&D and innovation awards, including the prestigious India Smart Grids Forum 2023 awards. Your Company's ability to consistently innovate and push the boundaries of what is possible has enabled it to remain a leader in the industry.

Your Company's R&D activities are conducted globally in R&D and technology centers and are locally embedded in businesses. This approach leverages local competence to create social, environmental, and economic value on a global scale. By developing new products, features, localized products, and solutions, your Company is able to secure existing revenue streams while also creating additional revenue by increasing customer engagement and installed bases.

In conclusion, your Company's innovative spirit and dedication have been crucial to its success throughout the years. Your Company has continually provided consumer value and remained at the forefront of the market by taking a solution-oriented strategy and anticipating future customer demands. Your Company capacity for innovation and investment in the creation of modern technologies have allowed it to maintain its position as a leader in the sector. It will do so in the years to come. To keep the world running smoothly and sustainably, we remain committed to identifying and developing the essential power grid technologies that will enable a future that is more dependent on renewable energy sources.

Talent

The Company's investment in training and upskilling employees continues to sets it apart in the market. Your Company's success rests on attracting, developing and retaining the right talent, who is highly engaged. Your Company's constant focus is also to ensure a working environment of inclusive leadership, transparency and belonging.

Coping with the demands of the new ways of working, building resilience and helping customers & employees cope with the COVID-19 outbreak required an intense focus on new skills and a vigilant watch on people and their welfare. While the Company's learning and development (L&D) function continued to focus on leadership and professional development programs, self-paced learning was incorporated to encourage life-long learning.

While Leadership Development and most other L&D initiatives are in-house, the L&D team also works closely with external training partners to meet certain demands which require customization. This year, there was increased focus on developing cross-cultural awareness and preparing managers to deal with a workforce which is increasingly diverse and technology friendly. To navigate the environment, various programs not limited to change management, resilience and others were introduced to help employees redefine business problems in a way that makes new, innovative responses possible. The Company's L&D team also saw the transformation of the global training programs such as PG4U, Middle Managers Program, Leadership Essentials Program and Female Talent development Program. L&D Partners are aligned to enable effective partnering with the business and provide customized learning solutions.

In addition, efforts were made to provide an inclusive environment that promotes diversity in gender, age and culture, including opportunities for global mobility. The Company's competency has been aligned with the business strategy. The Company recognized exceptional performance and behavior in line with organizational values through its rewards and recognition program. There was continuous focus on improving the diversity in the workforce throughout the year. A diversity outreach program was also launched to encourage rehiring of performers who may have left their career for several reasons. The entire approach to well-being was based on increasing diversity, promoting inclusion and recognizing performance.

Such initiatives have proved instrumental in penetrating and expanding the market presence and in introducing key technologies. As our Company continues to grow, its focus to invest in talent in the segments that are vital for its business growth also sharpens. Continuing to the cause of advancing education in the areas of Smart Grid, our Company entered into an MOU with National Institute of Technology, Warangal (NITW) to set up a laboratory for Smart Electric Grid in the institute.

Corporate Social Responsibility

Your Company took the opportunity of its new standalone identity to leverage a cogent and comprehensive CSR program that amplified the values of the Company. The Company is advancing the world's energy system to be more sustainable, flexible and secure. As the pioneering technology leader, your Company collaborates with customers and partners to enable a sustainable energy future – for today's generations and those to come.

Your Company is committed to sustainable and inclusive development of the community's social capital through active engagement. Social surveys are organized through NGO partners to receive the grievances of community, if any. CSR projects are identified and implemented in the following focus areas:

- Promote gender equality and empowering of women in engineering workforce
- Endorse education, employability & healthcare
- Social impact projects to collaborate with communities to provide innovative off-grid solutions to improve access to electricity in the country, especially in rural areas for its development.
- Aid in sustainable development goals

Some highlights from the year under review

Empowering diversity: Your Company began by supporting 80 girl students pursuing engineering studies by providing laptops, soft skill training and scholarship through their academics. All the students have successfully completed their fourth semester with good academic performance. The project is now being replicated by supporting another batch of 120 girl students pursuing engineering studies by providing laptops, soft skill training and scholarship through their academics.

Nutrition, primary healthcare, and education: Your Company provided 500 food kits to underprivileged government school children. It also contributed to developing and deploying additional medical facilities at Government hospitals at Bengaluru, Mysore, Vadodara, Savli and Halol. This included providing medical equipment, ~100 ICU beds, more than 400 monitoring - diagnostic equipment and two ambulances. At Mysore it contributed towards development of 10 new pediatric beds ICU ward with fully equipped medical facilities at District Government Hospital. Further the Company has undertaken to provide training to healthcare staff and maintain the medical equipment for a period of three years.

Access to water, urban afforestation: Urban afforestation drives were conducted at Maneja, Vadodara, where your Company is developing green cover in dry area of 10,000 sq ft by planting 3,000 saplings using Miyawaki technique and will continue to maintain it for three years. Children from local government schools were involved in sapling planting as part of a larger drive towards a climate conscious mindset, before handing the land over to Vadodara Municipal Corporation. Your Company is also working with Bangalore Metro Rail Corporation (BMRCL) for development and maintenance of green cover along metro line medians at Whitefield Road, Bengaluru.

Material developments in Human Resources / Industrial Relations front

Human resources

Your Company strongly believes that its employees are the key pillar of our success in the market. Hitachi Energy India continues to attract the best of talent, thanks to its diverse yet inclusive culture and ability to provide opportunities for their career growth. The Company's people strategy is aligned with its overall vision to be the pioneer in shaping the future of sustainable energy and we are committed to nurturing a cordial and diversified work environment in a growing market and in maximizing the potential of its workforce.

As of March 31, 2023, the employee base stood at 2,323. To ensure that your Company continues to attract top talent, it launched innovative employer branding initiatives and consistently created avenues for learning, thereby embracing the culture of life-long learning. Hitachi Energy India is invested in the development of employees and devoted to helping them adapt and perform better in this VUCA (volatile, uncertain, complex, and ambiguous) market environment. With an enhanced performance management and talent strategy, the Company is focused on attracting, assessing and developing human capital for today and for the future. Your Company pays immense attention to inculcating a learning environment within teams and providing opportunities for global mobility, to manage talent in key function areas.

Hitachi Energy India's competency model has been aligned with the business strategy. The same language is spoken throughout employee's performance, learning and development cycles. To ensure continuous engagement of employees, we have launched several retention strategies including rewards and recognition programs to create a nurturing and performance-oriented workplace and shape employee behaviors in line with organizational values. Our organization believes in creating a diverse & inclusive work culture that cares for employees' well-being. Health and safety are our number-one priority and throughout the period under review, the Company has striven to ensure a safe working environment in all our premises, undertaking several wellness initiatives. The Company also paid attention to the governance of various processes and initiatives across the organization and ensured industrial relations remained cordial and harmonious across all manufacturing locations.

People well-being

The Company continues to attract top talent due to its inclusive culture and the immense opportunities available for nurturing their talent. The people strategy is aligned with the Company's overall ambition to be a pioneering technology leader. This requires a stable work environment in a growing market by maximizing the potential of the Company's workforce. To ensure that the Company continues to attract top talent, multiple employer branding initiatives were launched not limiting to career fairs, recruitment drives, university connect programs and internship opportunities. During the year, the Company has consistently set a clear path to learn and adapt to perform better in the changing market situation with its enhanced performance management and talent strategy, focusing on building a healthy pipeline by attracting, assessing and developing talent.

In addition, persistent attention to provide an inclusive environment to promote diversity in gender, age and culture, including opportunities for global mobility, also form a part of the proactive plan to manage talent in key function areas. The Company's competency has been aligned with the business strategy. The Company recognized exceptional performance and behavior in line with organizational values through its rewards and recognition program. There was continuous focus on improving the diversity in the workforce throughout the year. A diversity outreach program was also launched to encourage rehiring of performers who may have left their career for several reasons. The entire approach to wellbeing was based on increasing diversity, promoting inclusion and recognizing performance. Multiple awareness sessions on health and wellbeing were organized in different office locations and factories to create awareness. Annual medical check-ups and camps were set up through the year to promote physical wellbeing.

Learning and development

Never have we been so severely tested before on the resilience front than recently when we were ourselves coping and helping our customers and employees cope with the COVID-19 outbreak. While the Company's learning and development (L&D) function continued our focus on leadership and professional development programs, we also shifted gears in incorporating self-paced learning and steered away from the status quo through various programs not limited to change management, resilience & others to help employees redefine business problems in a way that makes new, innovative responses possible.

The Company's L&D team also saw the transformation of the Global Training Programs such as PG4U, Middle Managers Program, Leadership Essentials Program and Female Talent development Program. L&D Partners are aligned to enable effective partnering with the business and provide customized learning solutions. While Leadership Development and most other L&D initiatives are in-house, the L&D team also works closely with external training partners to meet certain demands which require customization. This year, there was increased focus on developing cross-cultural awareness and preparing managers to deal with a workforce which is increasingly diverse and technology friendly. At Hitachi Energy India Ltd, a self-paced lifelong learning integrated effectively into our workday, is our instrument of choice to empower our employees.

Your Company believes in empowering employees through lifelong learning. The Company's workforce leverages Percipio – the digital learning platform houses 500,000+ multi-modal courses, videos, books and micro-learning modules averaging 148 minutes of learning per person per day. Through Percipio, our employees have access to a library of over various learning assets including 15,000+ books and 1,200+ audio books created and curated by subject matter experts. The employees' learning journeys are tailored to suit individual personas.

In addition to Percipio, employees also have access to other learning platforms like Hitachi Energy India Limited's internal LMS, EF (for mastering English language), Rosetta Stone (for gaining other language skills) and Culture Wizard (to get acclimatized with various cultures across the world). The Company webinars loaded with adaptive course curriculum, challenge our employees to expand the scope of their capabilities on their own terms. These are in addition to the technical and functional learning opportunities provided to our employees to upskill themselves. To top it all, we have introduced mentoring programs and coaching sessions to support employees amass better knowledge retention and even propose adjacent development opportunities.

Diversity and inclusion

As a young organization, Hitachi Energy India Limited optimizes our global vision of Diversity 360 - A new mindset, stronger culture, and new way of working. The Company's vision is to position Diversity & Inclusion at the core of our long-term business success. Your Company believes Diversity + Collaboration = Innovation. With Diversity 360 in place, the organization continues its promise to deliver brilliant employee experiences as a new Company, where our extraordinary talents are given the right environment and are empowered to thrive. Diversity 360 works across four workstreams

- **A new leadership model** which focuses on D&I strategy being embedded into our everyday behaviors, policies, and leadership decisions. Your Company is focused on developing a new leadership model through a people partnership approach engaging employees to define future leader needs and expectations, utilized appreciative inquiry methodology for collecting information, validated and co-created a unique leadership model with International Institute for Management Development (IMD).
- **Female Acceleration** with a commitment to increase gender diversity to 10 percent and progress female representation in middle management and top leadership roles. This year, the organization focused to strengthen early talent pipeline through university hiring programs and strengthen our female talent attraction strategy to improve diverse experienced professionals' hires. Key talent identification and dedicated development programs to ensure female talent enablement & exposure (Female Talent Development Program) also has been on top of the list.
- **Live Diversity & Inclusion** to create the cultural basis for collaboration and inclusiveness. To foster the D&I culture in the Comapny, Hitachi Energy India focused on incorporating D&I as each business unit's accountability through SPECTRUM – India's diversity & inclusion forum. SPECTRUM provides a platform for employees' networking and engagement and also works with diversity councils to execute D&I initiatives across business units and also measure the effectiveness of all such initiatives. Different awareness programs including Unconscious bias programs which helps the people managers deep dive into understanding unconscious bias and actions and behaviors that interrupt or mitigate biases were imparted.
- **Attract and grow talent** to spotlight the Company values = purpose and social innovation. Attract and retain current and future talent. Hitachi Energy India is focused on amending talent attraction policies like Employee Referral Program with improved incentive schemes, Early talent attraction policy for university hires with retention schemes etc to accelerate diversity hiring in India. The Company has created an Employee Value Proposition built on the foundation of our greater purpose, the scale and impact of our work, and how we develop and power careers. Your Company continues to create opportunities to grow and develop internal talent– solving the challenges of today and the demands of the future. The organization through various efforts and initiatives sustained and reached diversity to 7 percent in FY 2022-23.

Finance

With sharp focus on high growth segments, building regional capabilities and close customer connect, your Company continued its credible performance in April 2022-March 2023. Your Company generated total income of ₹ 4,4837 Crores against ₹ 4,950.9 Crores in January 2021- March 2022, 15 month period, clocking steady growth despite challenges of price increases and trade bottlenecks. Your Company's net profit stood at ₹ 93.9 Crores against ₹ 203.4 Crores in January 2021- March 2022, 15 month period, as margins were compressed with pressures of chips and electronics crunch, commodity price fluctuations and volatility in foreign exchange.

Your Company's current ratio was at 1.2 and interest coverage ratio at 4.4, showing strength in its balance sheet and its ability to maximize capital. Your Company's debtor turnover ratio was 3.0, indicating its robust collection processes. However, your Company is also discussing potential repayment mechanisms to clear historical overdue.

Inventory turnover stood at 3.8. Your Company's operating EBITA was 3.9 percent, while the net profit margin was at 2.1 percent.

In FY 2022-23, the interest cost borne by your Company was ₹ 40.1 Crores. As on March 31, 2023, your Company had a net debt of ₹ 111.8 Crores. In terms of foreign currency exposure – for imports and exports – your Company continued to conservatively hedge at the point of commitment to protect the contract margins.

Details of significant changes (i.e. change of 25 percent or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof:

Key financial ratios

Ratios	FY 2022-23 April 1, 2022 to March 31, 2023	FP 2021-22 Jan 1, 2021 to March 31, 2022
Debtors Turnover	3.0	3.2
Inventory Turnover	3.8	5.1
Interest Coverage Ratio	4.4	7.2
Current Ratio	1.2	1.1
Debt Equity Ratio*	0.2	0.1
Operating Profit Margin (%)	5.6	7.6
Net Profit Margin (%)	2.1	4.1

Return on net-worth is 8.0 percent in FY 2022-23 vs 19.7 percent in FY 2021-22. The current period returns are for the period of 12 months (April 2022 to March 2023) whereas the comparatives are for the period of 15 months (Jan 2021 to Mar 2022) and accordingly not comparable. However, current year margins were compressed with pressures of chips and electronics crunch, commodity price fluctuations and volatility in foreign exchange.

Disclosure of accounting treatment: Your Company followed IND_ AS and has detailed its accounting policy in Note 2 of the financial statements.

*Debt Equity Ratio = Short term borrowing / total equity

Risk and concerns

The threat of risk never goes away in the corporate world. However, successful businesses, like Hitachi Energy India, manage risk via strong governance frameworks and risk management procedures. The risk management charter and policy of Hitachi Energy India provide a framework for recognizing, prioritizing, mitigating, and overseeing significant risk events and action plans. The method was examined, the risks were determined, and mitigation measures were decided upon during the financial time.

Key risk areas were identified as supply chain interruptions, people, market and competition, cyber security, local content and competences, transformation project, quality, strategy, technology, finance, operations and systems, legal and regulatory, and human resources.

There are suitable assurance and monitoring procedures, such as crisis management training, yearly updating of crisis management plans, security plan risk, and business continuity plan, to assure the efficacy of the risk management framework. As seen by their successful preservation of business continuity throughout the COVID-19 pandemic, Hitachi Energy India continues to recognize possible threats in a changing market and address them successfully.

At various levels, periodic evaluations of risks and their possible effects on business development, profitability, talent engagement, and market position are carried out based on the organizational structure matrix. Responses to significant operational risks are frequently carried out using information from internal and external assessments, internal performance reviews, and other sources.

Hitachi Energy India's risk management strategy aims to reduce negative effects, effectively take advantage of market possibilities and boost corporate competitiveness. Hitachi Energy India is well-equipped to handle possible risks and guarantee long-term success because it prioritizes risk management and governance.

Internal control systems and their adequacy

Internal Controls (IC) in your Company have been designed to withstand and further the interest of all stakeholders by providing an environment which is conducive to conduct its operations. Your Company's IC environment is in place to take care of, inter alia, financial and operational risks.

Your Company maintains a holistic framework of internal control to that effect with elements like a Country Management Committee, Group Directives and Instructions, Local Management Instructions, Entity-Level Controls, Process Level Controls and Management Testing Programs.

The same provides a platform for adequate control processes commensurate with the size of the Company.

A strong emphasis on integrity and ethics forms a part of your Company's work culture. An independent management testing team having expertise in the field, performs Internal Financial Control effectiveness testing.

Outlook for FY 2023-24

The Indian economy positioned itself better than most economies, with the economic growth in FY2023-24 estimated to be the highest among the advanced economies. The growth momentum is expected to continue despite global headwinds and tight financial conditions supported by solid domestic demand and a pickup in capital investment. The government has continued pushing for capital expenditure, and private consumption demand leading to a healthy and stable performance. This has well reflected in high-frequency indicators, such as Purchasing Manager's Index for manufacturing and services, GST collections, E-way bills, and industrial production levels.

Risks remain particularly for the global economy, with anticipated slowdown in global growth impacting the pace of private capex and the gradual waning of recovering demand. The International Monetary Fund (IMF) has forecasted a slowdown in global growth from 3.2 percent in 2022 to 2.7 percent in 2023, dampening trade growth.

However, India's economy is expected to continue its rapid growth trajectory in 2024, driven by several factors, including the transition toward cleaner energy sources. The Indian government has set ambitious goals to increase the share of renewable energy in the country's energy mix to half by 2030 and achieve net zero carbon emissions by 2070. And this transition is expected to play a vital role in supporting economic growth in the future. India is one of the highest consumers of electricity, which is also the reflection of pent-up economic activity driven by urbanization and industrialization.

India is currently the world's third-largest market for renewable energy, and the government has set ambitious targets to increase the share of renewable energy in the country's energy mix. The Indian government's push towards green growth is visible in its annual budget. The Company sees a strong business potential as capex activity picks up in areas of transportation, data centers, e-mobility, and manufacturing, where it has a diverse product portfolio offering in the form of traction transformers, dry-type transformers, switchgears, SCADA systems, energy management systems, substations, etc.

Investment with leveraging sunrise opportunities while embracing energy transition and climate action have been other focus areas. The government has been focusing on energy transition by earmarking ₹ 35,000 Crores for priority capital towards net zero and energy security during the union budget announcement. The Central Electricity Authority is expected to spend ₹ 2.44 Crores on transmission systems for renewable grid integration from 2023 to 2030, which presents a significant growth opportunity for the Company.

This shift towards renewable energy power generation will require a strong inter-state transmission system to ensure smooth evacuation to the load centers, and this presents an opportunity for core T&D business. The Ministry of Power has released a comprehensive plan for evacuation of power from planned renewable capacity addition of 335 GW by 2030, entailing transmission capex of ₹ 2,40,000 Crores. The Company's technology is used by more than half of the HVDC links in the country. Given this, the new local HVDC manufacturing footprint and the up coming government tenders to evacuate power from zones with large renewable energy potential, your Company is well positioned for growth in this segment. The Company's range of products, solutions, and services for reducing costs, increasing safety, and improving efficiency for the offshore segment, including innovative offshore portfolio of transformers that can operate in environments with salinity and hydrocarbon, extreme weather conditions like hurricanes, typhoons, winds, etc.

The government's initiatives have been complimented with focus on building wider robust energy systems, developing energy storage solutions, and investing in smart grid technologies to manage the variability of renewable energy sources. As a leading player in the high voltage market in India, the Company is expected to benefit from the growth in the energy sector as it continues to provide innovative products to the industry. Country's focus on renewable grid integration, data centers, transport, e-mobility, HVDC which are also our high growth markets, is expected to support us favorably.

The government provides an impetus for growth along four priorities: PM GatiShakti encompassing economic transformation, seamless multimodal connectivity, and logistics efficiency, riding on roads, railways, mass transport or metros. For instance there is a significant push on the transport sectorwith ₹ 7,542 Crores allocated for 100 % electrification of railways. The Company has been a trusting partner for transportation projects in India, with high-technology offerings, and metro projects, high-speed rail, Vande Bharat. Furthermore, E-mobility offers a huge business opportunity for the Company through our innovative flash and fleet charging solutions-Grid-eMotion™ Flash and GrideMotion™ Fleet.

Data centers are also expected to experience significant growth over the next six years, with a sixfold increase in data center capacity expected. This presents robust growth opportunities for the Company, particularly in powering data centers.

India's large companies have pledged to curb greenhouse emissions to meet the country's ESG targets, and this provides a strong business opportunity for the Company given our constant pursuit to increase spend on digital solutions to increase efficiency, productivity through system design and power quality solutions.

The Company has a complete range of power and distribution transformers and other power equipment, that supports utilities and industrials to maximize return on assets investment by ensuring high reliability, reducing life cycle costs, and ensuring optimized performance while lowering environmental impact. The Company's range of new launches the TXpert™ Solution, which enables data processing to save costs, optimize operations, and increase revenue. The digital transformers enhance operational reliability using a condition-based maintenance approach. The Company continues to innovate and customize products such as Scott Transformer and higher rating transformers suiting customer needs, who are embracing clean energy transition.

The government is pursuing to boosting infrastructure investments and incentivize manufacturing to support the Atmanirbhar Bharat campaign while cementing the country's position on the global map enabling the country to become a crucial link in the worldwide supply chain. This is expected to enable policy-led support for the Company which has a strong manufacturing infrastructure and continues to build the indigenous strength comprising of 19 facilities across eight locations.

Opportunities and threats

In its report for 2023, the Intergovernmental Panel on Climate Change (IPCC) has given its 'final warning', underscoring that the rising amount of Greenhouse Gas emission has pushed the world to the brink of irrevocable damage climate change. It further outlines that more than 300 Crore people already live in areas that are "highly vulnerable" to climate breakdown and half of the global population now experiences severe water scarcity for at least part of the year.

Around the time of the release of the above report, India became the most populated country in the world; now 17.8 percent of the world's population rests on 2.1 percent of the world's landmass. This places extreme stress on the natural resources around us. And the nation has to rigorously follow its net zero ambition and milestones like the one in 2030, to ensure a respectable quality of life for its citizens.

To tackle such demands, the world is increasingly moving to non-polluting technologies; i.e. to say, electric version of cars, heating and cooling systems, and factories that run on clean sources of electricity like wind, solar or nuclear power. By 2050, electricity will constitute half of the world's energy system as against the current 20 percent. In addition, the current global energy crisis is providing much required impetus for clean energy investment, across various industries, worldwide.

The International Energy Agency highlights that clean energy transitions offer major opportunities for growth and employment in new and expanding industries. New infrastructure - transportation, transmission, distribution or storage of electricity, hydrogen - will form the backbone of the new energy economy in all countries. Building clean energy infrastructure can take 10 years or more. In parallel, technology supply chains and energy supply chains remain interrelated – as witnessed in the past year. Supply chains breakdowns have pushed up clean energy technology prices making countries' clean energy transitions more difficult and costly. Hence, based on its requirements, strengths and weaknesses, countries need to identify how it can benefit from the opportunities of the new energy economy.

India has set itself a long term ambition of net-zero by 2070, with corresponding milestones. 2030 ambitions including halving its energy intensity, quadrupling its renewable energy consumption to 500GW, converting 70 percent of its commercial passenger vehicle fleet to electric, and so on, are targets which must be achieved in letter and spirit for tangible sustainability. There are big dividends for countries that get their clean energy industrial strategies right, with global markets, investors, and developers keenly watching for supporting policies and regulations for growth of environment/clean technologies and infrastructure.

This places your Company, its expertise and pioneering technologies, at the center of action for a sustainable energy future. From core technologies like power transformers, circuit breakers and their path-breaking variants that match eco-efficiency while delivering reliability in the middle of high seas, to consulting services, digitalization and automation – your Company straddles IT & OT with the confidence that is necessary to cater to the urgent need of the environment.

Your Company sees opportunities for inter-regional links and upgrades of maturing HVDC stations. With the increasing digitalization of the power grid, cybersecurity becomes an important aspect relating to critical infrastructure. Additionally, with digital twins, remote monitoring, eco-efficient products and maintenance options, managing power infrastructure to ensure reliability and ease of maintenance is an area of opportunity.

The challenge today is bigger than one Company, one team and one individual. Together with customers and partners, Hitachi Energy India collaborate and co-create innovative solutions, with pioneering technology, leveraging both digital and energy platforms. Your Company has the commitment, passion and knowledge for advancing a sustainable energy future for all.

Cautionary statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to your Company's operations. These include climatic and economic conditions affecting demand and supply, Government regulations, taxation, and natural calamities over which the Company does not have any direct control.

Annexure – B to Board's Report

Statement of Disclosure of Remuneration

The information relating to the remuneration of Directors / Key Managerial Personnel as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2022-23, the percentage increase in remuneration of Managing Director & Chief Executive Officer, Chief Financial Officer and General Counsel & Company Secretary during the financial year 2022-23 (April 2022 to March 2023).

S. No.	Name of the Director/ Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of employees	Percentage increase in Remuneration
1.	Mr. Nuguri Venu	Managing Director and Chief Executive Officer	54:1	21.76%
2.	Mr. Ajay Singh	Chief Financial Officer	-	20.00%
3.	Mr. Poovanna Ammatanda	General Counsel & Company Secretary	-	20.00%

Percentage of increase in remuneration relates to fixed component of salary. Other components of the remuneration is as disclosed elsewhere in the Report.

<u>Notes:</u>

a) Annual Revision in remuneration was with effect from July 01, 2022 for all the Key Managerial Personnel.

b) Independent Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. As a policy, the Non-Executive-Non-Independent Directors are neither paid sitting fee nor paid any commission. The details of remuneration of Non-executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-executive Directors Remuneration is therefore not considered for the above purpose.

2. Percentage increase in the median remuneration of employees for the financial year: 7.20 percent.
3. Number of permanent employees on rolls of the Company as on March 31, 2023: 2323 employees.
4. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and to point out if there are any exceptional circumstances for increase in the managerial remuneration. The average increment of all employees and managerial personnel is based on performance targets, inflations, prevailing industry trends and benchmark.

   The same is as per Company's increment guideline.
5. Affirmation that the remuneration is as per the remuneration policy of the Company.

   It is hereby affirmed that the remuneration paid to Directors, KMPs, and employees is as per the Remuneration Policy of the Company.

By order of the Board

For Hitachi Energy India Limited

(Formerly known as ABB Power Products and Systems India Limited)

Achim Michael Braun

Chairman

DIN: 08596097

Place: Bengaluru

Date: May 24, 2023

Annexure – C to Board's Report

Report on Corporate Governance

1. **Company's Philosophy on Code of Governance:**

The Company's Code of Governance philosophy is to establish and manage sustainable growing businesses with the highest standards of honesty, openness, and accountability to maximize stakeholders' value while adhering to all applicable laws, rules, and regulations.

The Company fully realizes its shareholders' entitlement to information on the Company's performance and considers itself a trustee of its shareholders. The Company provides thorough information to its shareholders on a variety of subjects impacting the Company's business and financial performance. The Company's basic corporate governance concept is to achieve business excellence and devote itself to growing long-term shareholder value while keeping all stakeholders' requirements and interests in mind. The Company is dedicated to transparency in all of its dealings and values corporate ethics.

During the year under review, Hitachi Energy India Limited is proud to share that the Company was awarded the prestigious "**Golden Peacock Award for Excellence in Corporate Governance - 2022**". This recognition reflects the Company's strong commitment to upholding the highest standards of corporate governance, ethics, and transparency in all its business operations. Your Company recognizes the critical role that good governance plays in building trust within the stakeholders, including customers, employees, shareholders, and the communities in which the Company operates. This award is a testament to our team's hard work and dedication, and the Company will continue to strive towards excellence in all aspects of its business.

2. **Board of Directors:**

(a) The Board of Directors consists of 6 Directors viz., three Independent and three Non-Independent, out of which two Independent Directors are women Directors. Out of the three Non-Independent Directors, one is a Managing Director and CEO, and which is in conformity with the requirements of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Chairman of the Board is a Non-Executive and Non-Independent Director.

(b) Except for the Managing Director and Independent Directors, the remaining two Non-Independent, Non-Executive Directors are liable to retire by rotation. In the ensuing Annual General Meeting, Mr. Ismo Antero Haka (DIN: 08598862), Non-Executive and Non-Independent Director, who is liable to retire by rotation being eligible has opted for re-appointment. He is a Nominee Director of Promoter. There is no relationship between the Directors inter-se during the financial year under review, other than payment of sitting fees, payment of commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

(c) **Composition / Category of Board of Directors as on March 31, 2023:**

Name of the Director	Category(1)	Number of Director ships in other Indian companies(2)	Committee membership / Chairmanship in Public Companies(3)		No. and % of Equity Shares held in the Company (%)
			Member	Chairman	
Mr. Nuguri Venu	MD & CEO	3	2	NIL	NIL
Mr. Achim Michael Braun	Chairman, NED	-	NIL	NIL	NIL
Mr. Ismo Antero Haka	NED	-	1	NIL	NIL
Mr. Mukesh Butani(4)	NED (ID)	6	4	1	NIL
Ms. Akila Krishnakumar(4)	NED (ID)	5	1	NIL	NIL
Ms. Nishi Vasudeva(4)	NED (ID)	5	7	1	NIL

(1) Category: **NED** - Non-Executive Director, **MD** - Managing Director, **CEO** - Chief Executive Officer, **NED (ID)** - Non-Executive, Independent Director.

(2) Includes directorships in Private Limited Companies, Section 8 (Non-Profit) Companies and Company Limited by Guarantee.

(3) Includes only the Audit Committee and the Stakeholders' Relationship Committee of Public Limited Companies.

(4) During the year under review, Mr. Mukesh Butani (DIN: 01452839), Ms. Akila Krishnakumar (DIN: 06629992) and Ms. Nishi Vasudeva (DIN: 03016991) were reappointed as Independent Directors of the Company for a second term of five (5) consecutive years effective from December 24, 2022 to December 23, 2027.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all listed companies in which they are Directors. The necessary disclosures regarding committee positions have been made by all the Directors.

Further, none of the Directors hold any shares in the Company.

Ms. Nishi Vasudeva (DIN: 03016991) has resigned from the position of Independent Director of the Company effective from May 24, 2023 and pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their Meeting held on May 24, 2023, approved the appointment of Ms. Meena Ganesh (DIN: 00528252) as an Additional Director in the capacity of Independent Director for a term of 5 (five) years effective from May 24, 2023 to May 23, 2028, subject to approval of the Shareholders of the Company at the ensuing fourth Annual General Meeting.

(d) No. of Board Meetings held in the financial year 2022-23 (April 01, 2022 to March 31, 2023) and the dates on which held:

Four (4) Board meetings were held during the financial year 2022-23 viz., (1) May 26, 2022 (adjourned and concluded on May 27, 2022); (2) July 21, 2022; (3) November 4, 2022 and (4) February 6, 2023. The necessary quorum was present for all the meetings.

(e) Attendance of Directors at the Board Meetings and Annual General Meeting (AGM) held during the financial year 2022-23:

S. No.	Name of the Director	Attendance		
		Board Meetings held during the year	Board Meetings attended	Whether present at AGM held on July 22, 2022*
1.	Mr. Nuguri Venu	4	4	Yes
2.	Mr. Achim Michael Braun	4	4	Yes
3.	Mr. Ismo Antero Haka	4	4	Yes
4.	Mr. Mukesh Butani	4	4	Yes
5.	Ms. Akila Krishnakumar	4	4	Yes
6.	Ms. Nishi Vasudeva	4	4	Yes

*The AGM was held through video conferencing ("VC") and Other Audio-Visual Means ("OAVM").

(f) Directorship in Other Listed entities as on March 31, 2023 and category of Directorship:

S. No.	Name of the Director	Name of the other listed entities	Category of directorship
1	Mr. Nuguri Venu	NIL	NIL
2	Mr. Achim Michael Braun	NIL	NIL
3	Mr. Ismo Antero Haka	NIL	NIL
4	Mr. Mukesh Butani	Latent View Analytics Limited	Independent
		Dabur India Limited	Independent
5	Ms. Akila Krishnakumar	IndusInd Bank Limited	Independent
		Matrimony.com Limited	Independent
6	Ms. Nishi Vasudeva	HCL Technologies Limited	Independent
		L&T Infra Credit Limited	Independent

None of the Directors holds office in more than 10 public companies as prescribed under Section 165(1) of the Act.

No Director holds Directorships in more than 7 listed companies. Further, none of the Non-Executive Directors serves as Independent Directors in more than 7 listed companies as required under Regulation 17A of the Listing Regulations. The Managing Director does not serve as an Independent Director in any listed Company.

(g) Board's Core Skills/ Expertise/ Competencies:

For effective functioning of the Board, the Company's Board needs to have skills/expertise/competencies in the areas of Business, Finance & Accounting and Governance/Legal. The Company's Board comprises of people from diverse fields and across Globe.

The Company's Directors are qualified and possess the appropriate knowledge, skills, experience, expertise, diversity and independence, covering Business, Finance & Accounting and Governance/ Legal. In the table given below, various skills/ expertise/ competencies of the Board of Directors are given:

S. No.	Name of the Director	Areas of Skills / Expertise / Competencies		
		Business	Finance & Accounting	Governance / Legal
1.	Mr. Nuguri Venu	√	√	√
2.	Mr. Achim Michael Braun	√		√
3.	Mr. Ismo Antero Haka	√	√	√
4.	Mr. Mukesh Butani	√	√	√
5.	Ms. Akila Krishnakumar	√		√
6.	Ms. Nishi Vasudeva	√		√

(h) Independent Directors:

- The Independent Directors are from diverse fields of expertise having long-standing experience and expert knowledge in their respective fields which is very relevant as well as of considerable value for the Company's business.

  As a part of the familiarization programme as required under Listing Regulations, the Directors have been apprised during the Board/Committee Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act) and Listing Regulations. Further, as a part of Board and Committee meetings, members of the Board are also apprised on various developments in business both from an internal and external perspective.

- During the period under review, the Company has conducted the familiarization programme and details are available on the website at: https://www.hitachienergy.com/in/en/investor-relations/board-of-directors

- The terms and conditions of appointment of the Independent Directors are disclosed in the Company's website at: https://www.hitachienergy.com/in/en/investor-relations/board-of-directors

- Independent Directors of the Company have provided a declaration as required under the Companies Act, 2013 and Listing Regulations. The Board has noted the said declarations and opined that all Independent Directors fulfil the conditions of independence and are independent of the management of the Company.

  All Independent Directors fulfil the requirements stipulated in Regulation 25(1) of the Listing Regulations and the Companies Act, 2013.

- The key managerial personnel of the Company provides regular updates to all the Directors by making a presentation(s) on key business developments, business & financial performance, new strategic initiatives, regulatory changes and other related matters during the Board meetings.

- During the financial year under review, one separate meeting of the Independent Directors was held on May 26, 2022 without the presence of Non-executive Directors/ Managing Director/ Management, to discuss the matter as required/ agreed amongst them in accordance with the provisions of the Companies Act and Listing Regulations.

(i) The Board periodically reviews the compliance reports submitted by the Management in respect of all laws applicable to the Company.

(j) Certificate of Non-Disqualification of Directors pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations is enclosed to this Annual Report.

3. Audit Committee:

(i) Terms of Reference:

The Audit Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations.

The terms of reference are briefly described below:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the Board, appointment, re-appointment, replacement or removal (in the event of necessity) of Statutory Auditors, Cost Auditors, Secretarial Auditors and/ or any other auditors including fixation of remuneration.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:-
  - **(a)** Matters required to be included in the Director's Responsibility Statement to be included in the Board's reporting in terms of sub-section (5) of Section 134 of the Act.
  - **(b)** Changes, if any, in accounting policies and practices and reasons for the same.
  - **(c)** Major accounting entries involving estimates based on the exercise of judgment by management.
  - **(d)** Significant adjustments made in the financial statements arising out of audit findings.
  - **(e)** Compliance with listing and other legal requirements relating to financial statements.
  - **(f)** Disclosure of any related party transactions; and
  - **(g)** Qualifications in the draft audit report.
- Reviewing, with the management:-
  - **(a)** The quarterly financial statements before submission to the Board for approval.
  - **(b)** Performance of Auditors, Internal Auditors, adequacy of the internal control systems.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Review the adequacy of the Internal Audit function including the structure of the internal audit department, staffing and seniority of the head of the department, reporting structure coverage and frequency of internal audit.
- Approval or any subsequent modification of transactions of the Company with the related parties.
- Approval on appointment of Chief Financial Officer including the Whole-time Director - Finance or any other person heading the finance function or discharging that function after assessing the qualification, experience and background etc., of such incumbent.
- Reviewing the proposal for discontinuation / closure of any of the business operations of the Company.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.
- Review proposals for mergers, demergers, acquisitions, carve-outs, sale, and transfer of business and its valuation report and fairness opinion, if any, thereof.
- Evaluation of internal financial controls and risk management systems.
- Discussing with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review the functioning of the Whistle Blower mechanism.
- Carry out such other functions as may be delegated by the Board from time to time.
- Review various investment proposals before the same is submitted to the Board of Directors and also review the guidelines for investing surplus funds of the Company.
- To appoint valuers for the valuation of the undertakings or assets of the Company, wherever it is necessary including stocks, shares, securities, goodwill or any other assets or net worth of a Company or liability of the Company under the provisions of the Act.

In addition to the above, the following items are reviewed by the Audit Committee:

- Management discussion and analysis of financial condition and results of operations.
- Management letters/letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses and
- Appointment, removal, and terms of remuneration of the chief internal auditor.

- **Statement of Deviations:**
  - **a)** Quarterly statement of deviation(s), including the report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - **b)** Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

The Audit Committee is vested with the necessary powers to achieve its objectives.

The Committee has discharged such other role/function as envisaged under Regulation 18(3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act.

The Chairman of the Audit Committee was present at the last AGM (3rd AGM held on July 22, 2022).

(ii) Composition, Name of Members & Chairperson, Meetings held during the Financial Year and Attendance at Meetings:

The Audit Committee presently consists of three Independent Directors and one Executive Director (Managing Director and CEO). The Committee has held 4 meetings during the financial year 2022-23 (April 01, 2022 to March 31, 2023) on May 27, 2022, July 21, 2022, November 04, 2022 and February 06, 2023.

The composition of the Audit Committee as on March 31, 2023 and the attendance of members at the meetings held during the financial year 2022-23 were as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Mr. Mukesh Butani	Chairman, Independent Director	4	4
Ms. Akila Krishnakumar	Independent Director	4	4
Ms. Nishi Vasudeva	Independent Director	4	4
Mr. Nuguri Venu	Managing Director and CEO	4	4

Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer is the Secretary to the Audit Committee.

The gap between the two Audit Committee Meetings did not exceed 120 days. The necessary quorum was present at the above Meetings.

4. Nomination and Remuneration (NRC) Committee:

(i) Terms of Reference:

The terms of reference and role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations which includes formulating the criteria to:

- Determine qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - **(a)** use the services of an external agency, if required;
  - **(b)** consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - **(c)** consider the time commitments of the candidates.
- Evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Recommending to the Board on remuneration, Performance Bonus etc., payable to the Executive Director(s) / Managing Director, commission payable to Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board. The terms and conditions of appointment are disclosed in the website of the Company at: https://www.hitachienergy.com/in/en/investor-relations/board-of-directors

Consequent to the change in the name of the Company, the policy has been amended in the NRC meeting held on May 26, 2022 and approved by the Board of Directors at their meeting held on May 26, 2022 (adjourned and concluded on May 27, 2022).

(ii) Composition, Name of Members & Chairperson, Meetings held during the Financial Year and Attendance at Meetings:

The Nomination and Remuneration Committee presently consists of three Non-Executive Directors, two being independent. The Chairman is a Non-Executive and Independent Director.

During the financial year under review, 2 meetings were held on May 26, 2022 and July 21, 2022.

The composition of the Nomination and Remuneration Committee as on March 31, 2023 and the attendance of members at the meetings held during the financial year 2022-23 were as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Ms. Akila Krishnakumar	Chairperson, Independent Director	2	2
Ms. Nishi Vasudeva	Independent Director	2	2
Mr. Achim Michael Braun	Non-Executive Non-Independent Director	2	2

(iii) Remuneration Policy / Criteria for Payments to Directors / Senior Management Employees:

The Company has a credible and transparent policy for determining and accounting for the remuneration of the Executive / Non-Executive Independent Directors. Independent Directors' remuneration is governed by the external competitive environment, track record of the individuals, effective participation in the meetings, comparable industry standards and performance of the Company. The remuneration determined for the Executive / Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

The Board and the Nomination and Remuneration Committee also reviewed the performance of the Board on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee has adopted the performance review criteria. After the conclusion of the period under review, the revision was carried out by the Nomination and Remuneration Committee in the performance evaluation criteria. Subsequently, the Nomination and Remuneration Committee and the Board of Directors have reviewed the performance of the Directors and the Board as a whole for the financial year under review.

The Non-Executive Independent Directors are compensated by way of commission for the financial year 2022-23 in the financial year 2023-24 and the criteria being their attendance in the Board / Committee Meetings, apart from sitting fees and reimbursement of other expenses.

As per policy, the Non - Executive - Non - Independent Directors are neither paid a sitting fee nor paid any commission.

The Independent Directors are entitled to sitting fees for attending the Board / Committee Meetings.

Sitting fees for Board and Audit Committee Meetings is ₹ 60,000 per Director per meeting and for other Committees, the sitting fee is ₹ 30,000 per Director per meeting.

The remuneration payable to the Managing Director and CEO and Senior Management personnel including KMP are structured as fixed and variable components. The fixed remuneration comprises salaries, perquisites and retirement benefits and the variable component comprises an annual performance bonus which is linked to the achievement of the scorecard fixed at the beginning of the year and Long Term Incentive Plan (LTIP) which is subject to achievement of performance measures as attached to the Grant Letter issued from time to time in line with Hitachi Energy group policy.

5. Details of Remuneration Paid to all the Directors during the Financial Year 2022-23:

A. Salary, Performance Bonus and Commission to Directors:

The Remuneration paid to all the Directors of the Company containing salary, performance bonus and commission to Directors is as tabled below:

(Amount in ₹ Lakhs)

Name of the Director	Sitting fees	Salary & Perquisites	Commission	Stock Option	Pension
Mr. Nuguri Venu	-	533.72 *	-	-	-
Mr. Achim Michael Braun	-	-	-	-	-
Mr. Ismo Antero Haka	-	-	-	-	-
Mr. Mukesh Butani	7.20	-	39.00 **	-	-
Ms. Akila Krishnakumar	7.20	-	37.00 **	-	-
Ms. Nishi Vasudeva	8.10	-	39.40 **	-	-

* Remuneration of ₹ 533.72 Lakhs was for the financial year 2022-23 (April 01, 2022 to March 31, 2023) which includes a performance bonus of ₹ 145.61 Lakhs pertaining to the financial period April 01, 2021 to March 31, 2022 which was paid during financial year 2022-23.

** Commission for the financial period 2021-22 was paid during the financial year 2022-23.

Commission to Independent Directors for the Financial Year 2022-23 (April 01, 2022 to March 31, 2023):

1. For Board Meetings: a fixed amount of ₹ 25 Lakhs per Independent Director based on 100 percent participation by way of attendance in the meetings.
2. For Committee Meetings: a fixed amount of ₹ 3 Lakhs per Independent Director based on 100 percent participation by way of attendance in the meetings.
3. For the Chairman of the Audit Committee: a fixed amount of ₹ 8 Lakhs for 100 percent participation by way of attendance in the meetings.
4. The above commission payable to Independent Directors of the Company, however, shall not exceed the aggregate 1 percent per annum of the net profits of the Company computed in the manner laid down in the Companies Act, 2013.
5. Commission payable for the financial year 2022-23 will be paid in the financial year 2023-24 as follows:

S. No.	Name of the Directors	Amt in ₹
1	Mr. Mukesh Butani	39,00,000
2	Ms. Akila Krishnakumar	37,00,000
3	Ms. Nishi Vasudeva	40,00,000

B. Fixed Component / Performance Linked Incentive / Criteria:

Performance-related Bonus including Long Term Incentive Plan is payable to the Managing Director only as per the terms of the Contract entered into between the Company and the Managing Director.

C. Service Contract / Notice Period / Severance Fees:

(a) The Contract of Service entered into by the Company with Mr. Nuguri Venu, Managing Director and Chief Executive Officer provides that the Company and the Managing Director shall be entitled to terminate the agreement by giving six months' notice in writing on either side.

(b) No severance fee is payable by the Company to the Managing Director on termination of the agreement.

D. Stock Option:

The Company does not have a stock option scheme therefore the same is not applicable. No Director holds any Equity shares of the Company.

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company.

E. Performance Evaluation of Directors:

The performance Evaluation of Directors including that of Independent Directors as required under the Companies Act, 2013 and SEBI Listing Regulations for the financial year 2022-23 was undertaken during the period 2022-23.

6. Stakeholders' Relationship Committee:

The said Committee has been authorized to approve the transfer/ transmission/ transposition/ demat/ remat of shares/ deletion of name and issue of duplicate share certificates and taking note of Members' grievances.

Following are the terms of reference of the Stakeholders Relationship Committee:

1. Resolving the grievances of the security holders of the listed entity including complaints related to the transfer/ transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.

2. Review of measures taken for the effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Stakeholders Relationship Committee shall discharge such other role/ function as prescribed by the Board of Directors and/ or envisaged under Regulation 20 read with Part D of Schedule II of the Listing Regulations and the provisions of Section 178 of the Act.

In order to expedite the process, the Board of Directors has also delegated the authority to any two of the Managing Director and CEO, Chief Financial Officer and Company Secretary to approve the transfer/ transmission/ transposition of shares/ remat/ demat / deletion of name, issue of duplicate shares requests as and when required from time to time.

4 meetings of the Committee were held during this financial year viz., on May 26, 2022, July 21, 2022, November 04, 2022 and February 06, 2023.

The Committee is chaired by Ms. Nishi Vasudeva, Independent Director. Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer is the Secretary to the Committee.

The composition of the Stakeholders' Relationship Committee as of March 31, 2023 and the attendance of members at the meetings held during the financial year 2022-23 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Ms. Nishi Vasudeva	Chairperson, Independent Director	4	4
Mr. Mukesh Butani	Independent Director	4	4
Mr. Nuguri Venu	Managing Director and CEO	4	4
Mr. Ismo Antero Haka	Non-Executive, Non-Independent Director	4	4

There were no investor queries/ investor grievances pending during the period under review. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

The details of investors' complaints received and resolved during the financial year 2022-23 are as under:

No. of investors' complaints received during FY 2022-23	No. of investors' complaints resolved during FY 2022-23	Investors' complaints pending at the end of FY 2022-23
3	3	0

7. Risk Management Committee:

The Company has in place a mechanism to inform Board Members about the risk assessment and minimization procedures and review to ensure that executive management controls risks by means of a properly defined framework. The Company has formulated a Policy on Risk Management and constituted a Risk Management Committee.

The terms of reference and role of the Risk Management Committee are as per the provisions of Regulation 21 of the Listing Regulations which includes formulating the criteria to:

1. Formulate a detailed risk management policy which shall include:-

   a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks, or any other risk as may be determined by the Committee.

   b. Measures for risk mitigation including systems and processes for internal control of identified risks.

   c. Business continuity plan.

2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

3. Monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems.

4. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5. Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Pursuant to the change of name of the Company, the Risk Management policy was amended in the meeting held on July 08, 2022. Further, the list of tentative risks was also revisited and adopted in consonance with the industry and market trends.

Three meetings were held during the financial year viz., July 08, 2022, November 04, 2022 and February 06, 2023.

The Committee is chaired by Mr. Mukesh Butani – Independent Director. Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer is the Secretary to the Risk Management Committee.

The composition of the Risk Management Committee as on March 31, 2023 and the attendance of members at the meetings held during the financial year 2022-23 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Mr. Mukesh Butani	Chairman, Independent Director	3	3
Ms. Nishi Vasudeva	Independent Director	3	3
Mr. Nuguri Venu	Managing Director and CEO	3	3
Mr. Ismo Antero Haka	Non-Executive, Non-Independent Director	3	3
Mr. Ajay Singh	Chief Financial Officer	3	3

8. **Corporate Social Responsibility Committee:**

Pursuant to Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted.

The terms of reference and role of the Corporate Social Responsibility Committee are as per the provisions of Section 135 of the Companies Act, 2013.

The CSR Committee shall be responsible for formulating and recommending to the Board, the CSR Policy and an Annual Action Plan, which shall include the following:

- list of CSR projects or programs that are approved to be undertaken in areas or subjects as specified in Schedule VII of the Act,
- the manner of execution of such projects or programs,
- the modalities of utilization of funds and implementation schedules for the projects or programs,
- monitoring and reporting mechanism for the projects or programs,
- details of need and impact assessment, if any, for the projects undertaken by the Company, and,
- to monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the financial year under review, 4 meetings were held viz. May 26, 2022, July 21, 2022, November 04, 2022 and February 06, 2023.

The Committee is chaired by Ms. Akila Krishnakumar, Independent Director. The composition of the Committee as of March 31, 2023 and the attendance of members at the meetings held during the financial year 2022-23 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Ms. Akila Krishnakumar	Chairperson, Independent Director	4	4
Mr. Nuguri Venu	Managing Director and CEO	4	4
Mr. Achim Michael Braun	Non-Executive, Non-Independent Director	4	4

The Company has formulated a Policy for its CSR and also identified the following key areas for undertaking CSR activities:

- **Promote gender equality and empowering of women in the engineering workforce**
  To promote gender equality by ensuring initiatives to empower / advancement of women and in the engineering work force, thereby increasing diversity and inclusion.
- **Endorse education, employability & health care**
  To create necessary infrastructure and resources to enable the promotion of primary education among children and impart vocational skills training to the youth, promoting health care including preventive health care.
- **Social impact projects**
  To collaborate with communities to provide innovative off-grid solutions to improve access to electricity in the country, especially in rural areas for its development.
- **Support national disaster management and other government initiatives**
  To actively support national disaster management including relief, rehabilitation and reconstruction activities and support in other initiatives for promoting, including preventive measures for health care systems, hygiene and sanitation.
- **Aid in sustainable development goals**
  To promote an ecosystem for sustainable development goals by encouraging usage of indigenous, innovative and sustainable solutions thereby aiding, developing, promoting, facilitating and undertaking testing of new frontiers of science, technology, engineering, and environment in partnership with like-minded institutions, incubators and sponsors.

The Company's CSR policy may be viewed on the Company's website at: https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies

Further details on CSR expenditure and projects are provided in the Annexure to Board's Report.

9. Environment, Social and Governance (ESG) Committee:

The Company is dedicated towards the reduction of its carbon footprint and for its social and employee's welfare and governance causes. Basis the guidance of SEBI on Environment, Social and Governance reporting, the Company constituted an Environment, Social and Governance committee in the Board meeting held on October 22, 2021. The charter and objectives of this Committee were adopted by the Committee and Board of Directors during the financial year under review. The work under ESG was commenced during the financial year under review. The details of the performance and reporting under ESG is included under Business Responsibility and Sustainability Report, forming part of this Report.

Charter and Objectives of ESG Committee:

Drivers of ESG:

- Hitachi Energy's Sustainability 2030 strategy based on UN SDGs based on four pillars of: Planet, People, Peace, and Partnerships
- Investor Expectations
- Evolving Compliance and Stock Exchange Listing Requirements
- Contribution to an Integrated Strategic Approach-Increased revenues and innovation
- Cost savings and efficiencies
- Improved access to capital
- Improvements in staff morale
- Improved reputation and stakeholder relations
- Doing "the right thing"

Sustainability vs ESG: ESG Factors for Better Business Performance:

Hitachi Energy had placed sustainability at the heart of its purpose, focusing on: Advancing a sustainable energy future for all Company ESG Purpose and Charter Purpose.

ESG Committee has been constituted with the objective to assist the Board of Directors of the Company in fulfilling its oversight responsibilities in relation to Hitachi Energy's objectives, policies, and practices pertaining to:

- Environment: Interaction with the physical environment
- Social: Impact on society and communities
- Governance: How the Company is governed

With Sustainability 2030 strategy based on four pillars of:

- Planet -Towards carbon neutral
- People -Diversity plus collaboration equals great innovation
- Peace -Peaceful inclusive and sustainable societies
- Partnerships -Foster multi stakeholder partnerships
    - The Committee shall meet at least once during the financial year. Meetings of the ESG Committee shall be held either in person or by virtual audio/ video conference mode.
    - The Committee shall invite such other employees or engage third parties to attend the meetings and / or to monitor the implementation of ESG objectives.
    - The Committee shall make available to the Board the minutes of its meetings.

Roles & Responsibilities of ESG Committee:

ESG Committee shall undertake the following:

(1) Monitor and implement ESG targets of the Company and review its adequacy

(2) To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken.

(3) To facilitate reporting of ESG-related matters in the Business Responsibility and Sustainability Report as may be statutorily required.

(4) To perform such functions or duties as may be prescribed under the Companies Act, 2013, SEBI Listing Regulations, and any other applicable laws from time to time and discharge such other functions as may be specifically delegated to the Committee by the Board from time to time.

(5) The ESG Committee of Directors shall be vested with the following powers:

(a) The Committee shall have the authority to scrutinize programs and initiatives to ensure transparency and oversee the implementation of programs/initiatives across the Company.

(b) Obtain external legal or other independent professional advice, whenever necessary.

(6) The ESG Committee shall:

(a) oversee the effectiveness of sustainability programs and provide inputs related to matters of ESG and corporate responsibility.

(b) review and provide inputs on sustainability goals.

(c) advise on the Business Responsibility & Sustainability Report and any other issue-specific reports (if any) prior to reporting to the Board.

(d) consider and recommend to the Board positioning on relevant emerging sustainability issues.

(e) review and approve the Sustainability roadmap.

(f) provide direction and oversight to the internal sustainability function.

The Committee was chaired by Ms. Nishi Vasudeva – Independent Director. Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer is the Secretary to the Committee. During the financial year under review, one meeting was held on May 26, 2022.

The composition of the ESG Committee as of March 31, 2023, and the attendance of members at the meeting held during the financial year 2022-23 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Ms. Nishi Vasudeva	Chairperson, Independent Director	1	1
Ms. Akila Krishnakumar	Independent Director	1	1
Mr. Achim Michael Braun	Non-Executive Non-Independent Director	1	1
Mr. Nuguri Venu	Managing Director and CEO	1	1

10. Details of Other Committee Meetings and Membership:

- **Listing Committee for Listing of Company:** As the Listing process was completed in March 2020, no more meetings were required to be convened.
- **Committee of Independent Directors for Open offer:** As the Open offer process was completed in September 2020, no more meetings were required to be convened.
- **Committee of Independent Directors for an annual evaluation:** During the financial year, one meeting was held on May 26, 2022.

Mr. Poovanna Ammatanda, General Counsel & Company Secretary acted as the Secretary to the Committee of Independent Directors for annual evaluation.

The Composition of the Committee of Independent Directors and Attendance was as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Mr. Mukesh Butani	Chairman, Independent Director	1	1
Ms. Akila Krishnakumar	Independent Director	1	1
Ms. Nishi Vasudeva	Independent Director	1	1

11. Subsidiary Company:

The Company did not have any subsidiaries during the period under review. Hence, the requirement of formulating a specific policy on dealing with material subsidiaries does not arise.

Policy for Material Subsidiary:

The policy on material subsidiaries is not applicable as the Company does not have any Subsidiaries as of reporting date.

12. Managing Director (MD) & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification:

As required under Regulation 17 read with Part B of Schedule II of the Listing Regulations, the MD and CFO certification on the Financial Statements, the Cash Flow Statement, and the Internal Control Systems for financial reporting has been obtained from Mr. Nuguri Venu, Managing Director and Chief Executive Officer and Mr. Ajay Singh, Chief Financial Officer. The said certificate is annexed as **Annexure 1** to this report.

13. General Body Meetings:

a. Annual General Meeting:

The **Annual General Meetings** of the Company were held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") at the registered office of the Company. Details of the last three AGMs held are as below:

Financial Year	No. of AGM	Day & Date	Time (IST)	Special Resolutions passed
2021-2022 (Jan 2021 - Mar 2022)	3rd	Friday, July 22, 2022	11:00 am	Re-appointment of Mr. Mukesh Hari Butani (DIN: 01452839) as an Independent Director of the Company. Re-appointment of Ms. Akila Krishnakumar (DIN: 06629992) as an Independent Director of the Company. Re-appointment of Ms. Nishi Vasudeva (DIN: 03016991) as an Independent Director of the Company.
2020 (Jan 2020 - Dec 2020)	2nd	Thursday, May 27, 2021	11:00 am	Borrowing money in excess of the prescribed limit as per the Companies Act, 2013
2019 (Jan 2019 - Dec 2019)	1st	Thursday, August 13, 2020	11:00 am	--

b. Extraordinary General Meeting:

There were no extraordinary general meetings held during the year.

c. Postal Ballot:

No special resolution was passed through the postal ballot during previous year under report. Accordingly, details relating to the postal ballot are not applicable.

14. Means of Communication:

a. Financial Results:

The quarterly/ half-yearly/ annual financial results are filed with stock exchanges and displayed on stock exchange websites. The results are also made available on Company's website. The results are published in Financial Express (English newspaper – all India edition) and Vijaya Karnataka (Regional Newspaper).

b. Website:

The financial results and the official news releases are also placed on the Company's website at: https://www.hitachienergy.com/in/en.

The Company has a dedicated e-mail ID: investors@hitachienergy.com in the Secretarial Department for providing necessary information/ assistance to the investors.

c. Press Releases and Analysts/Investors' Presentations:

In addition to the above, after announcement of results, the Company holds conference call with investors / analysts. The transcript of the said conference call if any, is uploaded on the Company's website at: https://www.hitachienergy.com/in/en

d. Annual Report:

Annual Report containing audited standalone financial statements together with Board's Report, Auditors' Report and other reports/ information are circulated to members entitled thereto and is also made available on the Company website at https://www.hitachienergy.com/in/en/investor-relations/general-meetings#annual-report.

The Indicative Calendar of Events for the Financial Year 2022-23 (April 01, 2022, to March 31, 2023) is as follows:

First Quarter financial results	July 2023
Second Quarter financial results	November 2023
Third Quarter financial results	February 2024
Fourth quarter financial results	May 2024

In terms of the circular issued by the Ministry of Corporate Affairs, as a Green Initiative and pursuant to Section 101 and Section 136 of the Act, read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation Disclosures Requirement) Regulation, 2015 (“SEBI Listing Regulations”), soft copy of the Notice and the Board’s Report for the financial year 2022-23 would be circulated to the respective e-mail IDs registered and available in Company’s records, wherever available. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request only. For members whose e-mail ids are not available, the physical copy has been sent by permitted mode.

15. General Shareholder Information:

a. Annual General Meeting:

Corporate Identity Number (CIN)	L31904KA2019PLC121597
Day, Date, and Time	Thursday, August 17, 2023 at 11:00 a.m.
Venue/ Mode	The Company is conducting meeting through Video Conferencing (‘VC’)/ Other Audio-Visual Means (‘OAVM’) pursuant to the MCA circulars and SEBI Circulars, please refer to the Notice of the AGM
Financial year	April 01, 2022 to March 31, 2023
Date of Book Closure	The Company’s Register of Members and Share Transfer Books will remain closed for the purpose of the Annual General Meeting from August 11, 2023, to August 17, 2023 (both days inclusive).

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice convening AGM.

b. Dividend Payment Date:

The dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid on and from August 18, 2023, to those Shareohlders whose names appear on the Company’s Register of Members as on Thursday, August 10, 2023.

c. Listing on Stock Exchanges:

The equity shares of the Company are currently listed with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid to date, the appropriate listing fee to both stock exchanges.

d. Name & Address of each stock exchange(s) at which the Company’s securities are listed:

BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	**National Stock Exchange of India Limited (NSE),** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051

e. Stock Code for Equity Shares:

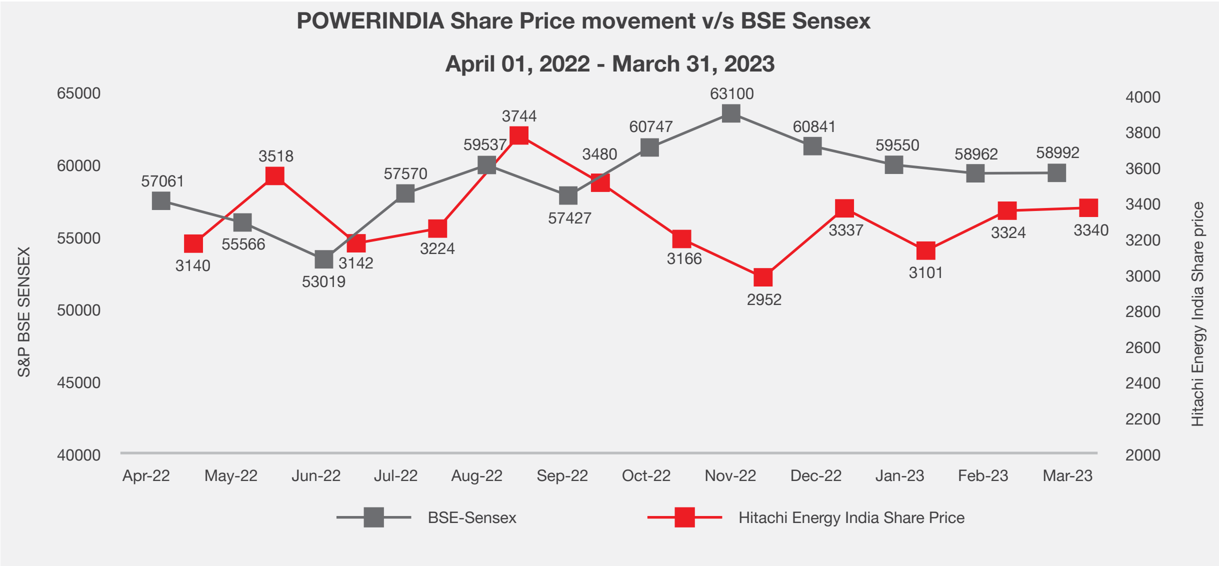
NSE POWERINDIA
BSE 543187
ISIN INE07Y701011

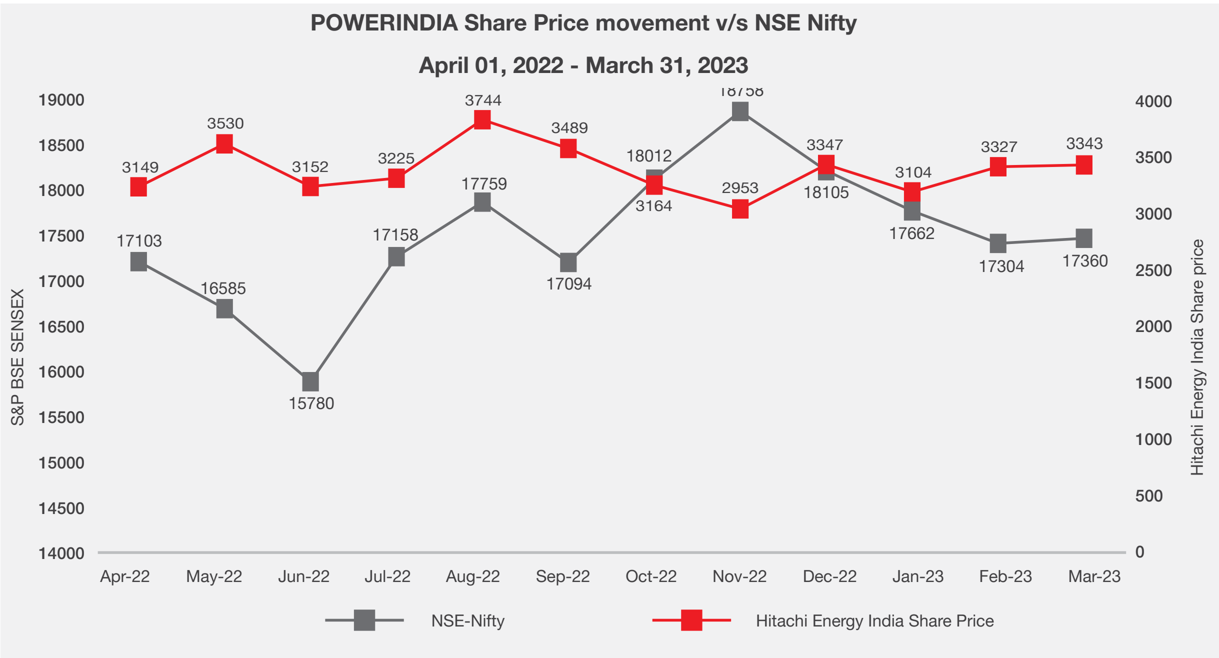
f. Market Price Data:

The market price data and volume of the Company’s shares traded in the BSE Limited and the National Stock Exchange of India Limited, during the financial year 2022-23 were as follows:

Month	BSE-₹		BSE SENSEX		NSE-₹		NSE-NIFTY	
	High	Low	High	Low	High	Low	High	Low
Apr-22	3548	3110	60845	56009	3556	3112	18115	16825
May-22	3596	2751	57184	52632	3596	2750	17133	15736
Jun-22	3650	2817	56433	50921	3655	2851	16794	15183
Jul-22	3669	3003	57619	52094	3674	3002	17173	15511
Aug-22	3849	3190	60411	57367	3849	3194	17992	17155
Sep-22	3914	3356	60676	56147	3915	3355	18096	16748
Oct-22	3546	3147	60787	56683	3549	3145	18023	16856
Nov-22	3236	2846	63303	60425	3240	2840	18816	17959
Dec-22	3487	2912	63583	59754	3544	2912	18888	17774
Jan-23	3406	2966	61344	58699	3397	2966	18252	17406
Feb-23	3475	2906	61682	58796	3474	2906	18135	17255
Mar-23	3570	3084	60498	57085	3569	3084	17800	16828

g. Performance in Comparison to Broad-Based Indices viz., BSE Sensex and NSE Nifty:





h. Address for Correspondence:

Registrar and Share Transfer Agents:

KFin Technologies Limited
Unit: Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)
Selenium Tower B, Plot 31-32, Financial District,
Nanakramguda, Gachibowli, Serilingampally Mandal,
Hyderabad – 500 032, Telangana
Phone No. 1- 800-309-4001
e-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Name, designation & address of Compliance Officer:

Contact Person	Address	Contact details
Mr. Poovanna Ammatanda, General Counsel, Company Secretary & Compliance Officer	Hitachi Energy India Limited (Formerly known as ABB Power Products and Systems India Limited) Registered Office Address: 8th Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru - 560 092	**Phone No:** 080 68473700 **Corporate Secretarial e-mail ID:** investors@hitachienergy.com **Corporate Website:** https://www.hitachienergy.com/in/en

i. **Share Transfer System:**

To enhance the ease of dealing in securities markets by investors, SEBI has mandated that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission, Transposition, etc). The transmission or transposition of shares is being processed by the Registrar and Share Transfer Agents and approved by the Stakeholders' Relationship Committee. In order to expedite the process, the Board of Directors has also delegated the authority jointly to any two of the Managing Director (MD), Chief Financial Officer and the General Counsel, Company Secretary & Compliance Officer to approve share transmission, transposition, deletion of a name, etc., of shares and accordingly, the same is being approved as per the request received and the report is placed for noting before the Stakeholders' Relationship Committee and Board of Directors on a quarterly basis.

Further, SEBI vide its circular dated November 03, 2021 has introduced common and simplified norms for processing any service request received from the shareholder related to furnishing PAN, KYC details, and Nomination by the Registrar and Share Transfer Agents ("RTA"):

1. Electronic interface for processing investor's queries, complaints and service request
2. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities
3. Freezing of folios without valid PAN, KYC details and Nomination
4. Compulsory linking of PAN and Aadhaar by all holders of physical securities

During the year under review, in December 2022, a request letter was sent to all those Shareholders whose PAN and KYC details were not updated in the records of the Company and/ or Registrar and Transfer Agent. Communication was sent through registered post to all those Shareholders wherein it was requested to update the required details in line with the aforesaid SEBI circular.

SEBI vide its Circular dated January 25, 2022, has made it mandatory for compulsory credit of shares in demat form in case of the request processed for the issue of duplicate shares, claim from Unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, Sub - division / Splitting of securities certificate, Consolidation of securities certificates/ folios, share transfer, share transmission, share transposition, issue of duplicate shares.

Hence, the Members holding shares in physical form are requested to consider converting their holdings in a dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice. The request for share transfer, transmission, transposition of shares, and deletion of name are being processed by the Registrar and Share Transfer Agents, and approved by the Stakeholders' Relationship Committee.

The following compliances pertain to share transfers, grievances, etc.:

- Pursuant to Regulation 7(3) of the SEBI Listing Regulations, certificates are filed with the stock exchanges on yearly basis by the Company Secretary & Compliance Officer of the Company and the representative of the Registrar and Share Transfer Agent for maintenance of an appropriate share transfer facility. For the previous financial period 2021-22, the Company filed this certificate on half yearly basis and the provision was amended w.e.f. May 05, 2021 and half-yearly compliance was changed to yearly compliance. For the Financial year March 31, 2023, the Company has filed this certificate within the prescribed time limit.
- Pursuant to Regulation 13 of the SEBI Listing Regulations, a statement on pending investor complaints is filed with the stock exchanges and placed before the Stakeholders' Relationship Committee and Board of Directors on a quarterly basis.
- Pursuant to Regulation 39(3) of the SEBI Listing Regulations, information regarding the loss of share certificates and the issue of duplicate certificates, are submitted to the stock exchanges within 2 days of the Company receiving the information.
- Pursuant to Regulation 40(9) of the SEBI Listing Regulations, the Company obtained the yearly certificate from a Practicing Company Secretary certifying that, the RTA has issued all share certificates within 30 days of the date of lodgment for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/ allotment monies and this certificate is simultaneously filed with the Indian Stock Exchanges pursuant to Regulation 40(10) of the SEBI Listing Regulations. For the previous financial period 2021-22, the Company has filed this certificate on half yearly basis and the provision was amended w.e.f. May 05, 2021, and the half-yearly compliance was changed to yearly compliance. For the Financial year ended March 31, 2023, the Company has filed this certificate within the prescribed time limit.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1 April 2019, except in case of request received for transmission or transposition of securities. Further w.e.f. January 01, 2022, the securities can be credited only in demat form after completion of the process of request for deletion of a name, share transfer, transmission, and transposition of shares.

The Company's shares are compulsorily traded in dematerialized form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

j. Shareholding Pattern:

Shareholding		March 31, 2023		March 31, 2022	
S. No.	Description	Total Shares	% Equity	Total Shares	% Equity
1	Mutual Funds	11,77,458	2.78	9,33,017	2.20
2	Foreign Portfolio – Corp	20,36,492	4.81	NIL	0.00
3	Foreign Institutional Investors	NIL	0.00	19,96,919	4.71
4	Trusts	3,309	0.01	3,993	0.01
5	Alternative Investment Fund	1,98,284	0.47	NIL	0.00
6	Resident Individuals	42,79,164	10.10	49,11,721	11.59
7	Non-Resident Indians	92,274	0.22	67,828	0.16
8	Clearing Members	1,422	0.00	10,525	0.02
9	Indian Financial Institutions	369	0.00	NIL	0.00
10	Banks	1,653	0.00	2,022	0.00
11	Qualified Institutional Buyer	19,61,453	4.63	19,63,428	4.63
12	Foreign Promoter Bodies Corporate - Promoter and Promoter group	3,17,86,256	75.00	3,17,86,256	75.00
13	Foreign Bank	NIL	NIL	NIL	0.00
14	Non-Resident Indian Non-Repatriable	1,22,905	0.29	1,09,552	0.26
15	Bodies Corporates	4,07,331	0.96	4,88,250	1.15
16	NBFC	9,892	0.02	NIL	0.00
17	Directors and their relatives	NIL	NIL	NIL	0.00
18	IEPF	1,07,190	0.25	1,07,421	0.25
19	HUF	1,95,480	0.46	NIL	0.00
20	Foreign Nationals	743	0.00	743	0.00
21	Foreign Portfolio Investors	NIL	NIL	NIL	0.00
Total		**4,23,81,675**	**4,23,81,675**	**4,23,81,675**	**100.00**

k. Distribution of Shareholding (as on March 31, 2023):

Category	No. of Shareholders	No. of Shares held	% of equity capital
1 – 5,000	63,938	38,01,295	8.97
5,001 – 10,000	91	3,17,777	0.75
10,001 – 50,000	78	8,24,198	1.94
50,001 – 100,000	12	4,31,819	1.02
100,001 and above	25	3,70,06,586	87.32
Total	**64,144**	**4,23,81,675**	**100.00**

l. Dematerialization of Shares and Liquidity:

The equity shares of the Company are available under the dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company's equity shares are compulsorily traded in the dematerialized form.

As on March 31, 2023, out of 4,23,81,675 equity shares of the Company, 4,21,22,299 equity shares have been dematerialized representing 99.39 percent. The Company confirms that the promoters' holdings were continued to be in electronic form and the same is in line with the circulars issued by SEBI.

Members who are still holding shares in physical form are requested to dematerialize their shares at the earliest, this will be more advantageous to deal in securities. For queries/ clarification/ assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.

m. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:

The Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

n. Commodity Price Risk / Foreign Exchange Risk and Hedging activities:

The Company is exposed to foreign exchange risk on account of import and export transactions entered and it is exposed to commodity price risk on account of procurement of base metals (Copper and Aluminum) to be used in manufacturing activities. Details of commodities exposure during the year under review are provided below:

a. Total Exposure of the Company to commodities is ₹ 4,51,45,23,935 .

b. Exposure of the Company to various commodities:

<table>
<tr><th rowspan="3">Commodity Name</th><th rowspan="3">Exposure in ₹ towards the particular commodity</th><th rowspan="3">Exposure in Quantity terms toward the particular commodity</th><th colspan="5">% of such exposure hedged through commodity derivatives</th></tr>
<tr><th colspan="2">Domestic market</th><th colspan="2">International market</th><th rowspan="2">Total</th></tr>
<tr><th>OTC</th><th>Exchange</th><th>OTC</th><th>Exchange</th></tr>
<tr><td>Copper</td><td>4,38,54,17,981</td><td>6381 MT</td><td>-</td><td>-</td><td>13%</td><td>-</td><td>13%</td></tr>
<tr><td>Aluminum</td><td>12,91,05,954</td><td>508 MT</td><td>-</td><td>-</td><td>5%</td><td>-</td><td>5%</td></tr>
</table>

c. Commodity risks faced by the Company during the financial year and how they have been managed:

The Company is a sizable user of various commodities which exposes it to price risk on account of the procurement of commodities. The Company is proactively mitigating these risks by entering into commensurate hedging transactions with banks as per applicable guidelines and group risk management instructions.

o. Plant Locations:

The plant locations of the Company are as detailed below:

<table>
<tr><th>Particulars of Plant Location</th><th>State</th></tr>
<tr><td>Plot No. 4A, 5 & 6, 2nd Phase, Peenya Industrial Area, Peenya, Bengaluru- 560058</td><td rowspan="3">Karnataka</td></tr>
<tr><td>Sy No.30, Thammashettihalli Village, Kasaba Hobli, Dodaballapura Taluk, Bengaluru Rural -562163</td></tr>
<tr><td>Mysore-Ooty Road, Thandavapura, Mysore - 571302</td></tr>
<tr><td>Sy No. 211, Halol-Champaner Road, Panchmahal P.O. Chandrapura, Halol-391520</td><td rowspan="4">Gujarat</td></tr>
<tr><td>Plot No. 25 & 26, Alindra Manjusar, Savli - GIDC, Vadodara- 391775</td></tr>
<tr><td>Plot No. 42 & 43, Alindra Manjusar, Savli - GIDC, Vadodara- 391775</td></tr>
<tr><td>Maneja, Vadodara-390013</td></tr>
<tr><td>Plot No. 3, Mahindra World City Industrial Park, Phase-V, 1st Cross Road, 8th Avenue, Etchankaranai Village, Chengalpattu Taluk, Kanchipuram- 603004</td><td>Tamil Nadu</td></tr>
</table>

p. Code of Conduct:

As required under Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and the same has been hosted on the Company's website. Consequent to change in name of the Company, the revised Code of conduct was approved by NRC Committee in the meeting held on May 26, 2022, and by Board of Directors at their meeting held on May 26, 2022 (adjourned and concluded on May 27, 2022). All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on March 31, 2023. A certificate to that effect is annexed as **Annexure 2**.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) duly revised on February 09, 2022.

As per the above Code, Mr. Poovanna Ammatanda is the Compliance Officer and Mr. Ajay Singh, Chief Financial Officer is the Chief Investor Relations Officer.

q. Company affirms that all the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

r. Debenture Trustees - Not Applicable.

s. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)- Not applicable.

t. Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required in the relevant financial year, the same to be disclosed along with reasons thereof - Not applicable.

u. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part:

During the financial year under review, the Company did not have any subsidiaries. Based on the recommendation of the Audit Committee and Board of Directors, Shareholders approved the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004) as the Statutory Auditors of the Company commencing from the conclusion of the 1st Annual General Meeting to hold such office for a period of 5 years till the conclusion of 6th Annual General Meeting. Remuneration of ₹ 1,34,37,500 (Rupees One Crores Thirty Four Lakhs Thirty Seven Thousand Five Hundred only) for the financial year 2022-23 (April 01, 2022 to March 31, 2023) plus applicable taxes in connection with the statutory audit of the Company and related services, was approved by the Board of Directors of the Company based on the recommendation of Audit Committee.

The details of the payment to be made for the financial year 2022-23 are as follows:

	Amount in ₹ (in Lakhs)
Statutory audit fees (inclusive of out-of-pocket expenses)	51.60
Tax audit fees	29.02
Limited review fees	38.70
Group audit fees	15.05
Other certification fees	15.00
Reimbursement of expenses	3.00
Total	**152.37**

v. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year: NIL

b. number of complaints disposed of during the financial year: NIL

c. number of complaints pending as on the end of the financial year: NIL

Further, the Company has a web portal known as “Hitachi Energy Ethics Web Portal” wherein employees can report/ raise the workplace harassment concerns/ related incidents. The complaints as received via this Portal was redressed and brought to the attention of the Audit Committee of the Board from time to time.

w. The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.

The Board hereby confirms that it has complied with all the corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) 2015.

x. Disclosures with respect to Demat Suspense Account / Unclaimed Suspense Account:

Pursuant to the Scheme of Arrangement, 799 Equity shares of ₹ 2 each of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) was credited into the demat account of Unclaimed suspense account on December 24, 2019. There was no change in the shareholding of the Unclaimed suspense account during the financial year 2022-23.

It may be noted that pursuant to the Scheme of Arrangement (Demerger), the Equity shares in demat form were automatically credited into the Unclaimed shares account and Investors Education and Protection Fund (IEPF) Account and the voting rights thereon have been frozen till the shares are claimed by the rightful owners.

Details are given below:

Shares credited to IEPF account: 1,07,421 Equity shares were allotted on December 24, 2019.

During the financial year under review, out of 1,07,421 Equity shares, the claim for 231 Equity shares was approved by the IEPF Authorities as claimed by the individual shareholders and approved by the Company from time to time. Balance shares remaining in IEPF account as on March 31, 2023 is 1,07,190.

Shares credited to Unclaimed Suspense account on December 24, 2019:

The aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	799 Equity shares - 6 Shareholders
The number of shareholders who approached the issuer for the transfer of shares from the suspense account during the year.	NIL
Number of shareholders to whom shares were transferred from the suspense account during the year.	NIL
The aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	799 Equity shares - 6 Shareholders

y. Disclosure by the Listed Entity and its Subsidiaries of 'Loans and Advances in the Nature of Loans to Firms/ Companies in which Directors are Interested by Name and Amount:

The Company does not have any subsidiaries. There are no Companies in which Directors are interested and to which Company or group Company has granted the loan.

z. Reconciliation of Share Capital Audit Report:

A Company Secretary-in-Practice carries out a Reconciliation of Share Capital Audit on a quarterly basis, as per Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 read with SEBI Circular No. D&CC / FITTC/Cir- 16/2002 dated 31 December 2002, to reconcile the total admitted capital with depositories viz National Securities Depository Limited ('NSDL') and Central Depository Services Limited ('CDSL') and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

aa. Disclosures:

i) Disclosures on Materially Significant Related Party Transactions:

There was no materially significant related party transaction during the financial year having potential conflict with the interests of the Company. Transactions with related parties, as per requirements of Indian Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements. Further, the Company has not entered into any transaction of a material nature with the Promoters, subsidiaries of Promoters, Directors or their relatives, etc. that may have potential conflict with the interests of the Company.

All the transactions with related parties were in the ordinary course of business and on an arm's length basis, except transactions, which are disclosed in the Board's Report. In terms of Regulation 23 of Listing Regulations, the Company obtains prior approval of the Audit Committee for entering into any transaction with related parties. As per SEBI Circular dated November 09, 2021, the relevant policy has been revised in the Audit Committee at the Meeting held on May 27, 2022 and approved by the Board of Directors at their Meeting held on May 26, 2022 (adjourned and concluded on May 27, 2022). In line with SEBI Listing Regulations, the revised policy contains updated threshold limits for obtaining approval of the Audit Committee, Board of Directors, and shareholders including that for material modifications as may be applicable from time to time.

Policy on dealing with Related Party Transactions can be viewed in the Company's website. The link for the same is: https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies

ii) Details of Non-Compliance by the Company, Penalties and Strictures Imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities, on any matter related to Capital Markets during the Last Three Years:

During last three years, neither any penalty nor any stricture has been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets.

iii) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has adopted Whistle Blower Policy which is a mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct/ Business Ethics, leak of Unpublished Price Sensitive Information (UPSI) and related matters. No personnel has been denied access to the Chairman of the Audit Committee, for making the complaint on any Integrity issue. The updated policy was approved by the Audit Committee and Board of Directors at their meeting held on February 09, 2022. The updated Whistle Blower Policy can be viewed on the Company's website at: https://www.hitachienergy.com/in/en/about-us/integrity/reporting-channels/whistleblower-protection-policy

iv) Details of Compliance with Mandatory Requirements and Adoption of the Non-Mandatory Requirements under the Listing Regulations:

During the financial year 2022-23, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations.

The Company has adopted item E of the non-mandatory requirements as provided in Part E of Schedule II to the Listing Regulations which are discretionary requirements.

v) Discretionary Requirements:

- The Company does not maintain a separate office for the Non-Executive Chairman.
- The quarterly financial results are published in newspapers of wide circulation and not sent to individual shareholders. Further the financial results are available on the website of the Company and of Stock Exchanges where the shares of the Company are listed i.e., BSE Limited and National Stock Exchange of India Limited.
- The Auditors' opinion on the Financial Statements is unmodified.
- The Board of Directors of Hitachi Energy India Limited has a Non-Executive Chairman i.e. Mr. Achim Michael Braun and Mr. Nuguri Venu is the Managing Director and Chief Executive Officer of the Company. There is no relationship between the persons occupying these posts.
- Internal Auditor has been appointed and reports directly to the Audit Committee

vi) Other requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) 2015 and for the Corporate Governance Report:

Confirmation from Board regarding Independent Directors' Criteria:

The Board of Directors confirms that in their opinion, the Independent Directors fulfill the conditions specified under the Companies Act 2013 and of SEBI (Listing Obligations and Disclosure Requirements) 2015 and are independent of the management.

Credit Ratings:

The Company does not have any debt instrument, fixed deposit programme or scheme or proposal for the mobilization of funds. However, for short-term borrowings, the Company obtained a credit rating. The details are as follows:

As on July 8, 2022, CRISIL Ratings has reaffirmed its 'CRISIL AAA/Stable/CRISIL A1+' ratings to the bank facilities of the Company as follows:

Total Bank Loan Facilities Rated	₹ 6000 Crores (enhanced from ₹ 5000 Crores)
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)

vii) Certificate from a Company Secretary in Practice that none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority:

Appended as **Annexure 3**

By order of the Board
For Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)

Achim Michael Braun
Chairman
DIN: 08596097

Place: Bengaluru
Date: May 24, 2023

MD/CFO CERTIFICATE

Annexure 1

To,
The Board of Directors,
Hitachi Energy India Limited
(formerly known as ABB Power Products and Systems India Limited)

We certify that:

A. We have reviewed the financial statements and the cash flow statement of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) for the financial year ended March 31, 2023, and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the Company during the period are fraudulent, illegal or violates the code of conduct of the Company.

C. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company over financial reporting, and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.

D. We have indicated to the Auditors and the Audit Committee that there are:

1. No significant changes in internal control over financial reporting during the period.
2. No significant changes in the accounting policies; and
3. No instances of fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

E. We affirm that we have not denied any personnel access to the Audit Committee of the Company, and we have provided protection to whistle-blowers from unfair termination and other unfair or prejudicial employment practices.

We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the period covered by this report.

Bengaluru
May 24, 2023

Nuguri Venu
Managing Director and CEO
(DIN: 07032076)

Ajay Singh
Chief Financial Officer

Annexure 2

Declaration by the Managing Director and Chief Executive Officer under Listing Regulations regarding compliance with Business Conduct Guidelines (Code of Conduct)

In accordance with the Listing Regulations, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the financial year ended March 31, 2023.

By order of the Board
For Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)

Nuguri Venu
Managing Director and CEO
DIN: 07032076

Place: Bengaluru
Date: May 24, 2023

Annexure 3

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
HITACHI ENERGY INDIA LIMITED
8th Floor, Brigade Opus 70/401,
Kodigehalli Main Road,
Bengaluru - 560092

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HITACHI ENERGY INDIA LIMITED** having CIN: L31904KA2019PLC121597 and having registered office at 8th Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru - 560092 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

S. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Mukesh Hari Butani	01452839	24/12/2019
2	Ms. Nishi Vasudeva	03016991	24/12/2019
3	Ms. Akila Krishnakumar	06629992	24/12/2019
4	Mr. Nuguri Venu	07032076	02/12/2019
5	Mr. Achim Michael Braun	08596097	25/02/2021
6	Mr. Ismo Antero Haka	08598862	25/02/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. Sreedharan & Associates
Company Secretaries

(Pradeep B. Kulkarni)
Partner
F.C.S.7260; **C.P No.**7835
UDIN: F007260E000368170
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: May 24, 2023

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of HITACHI ENERGY INDIA LIMITED,

Corporate Identity No : L31904KA2019PLC121597

Nominal Capital : ₹ 10 Crores

We have examined all the relevant records of **HITACHI ENERGY INDIA LIMITED** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has complied with item C, D and E.

For V. Sreedharan & Associates
Company Secretaries

(Pradeep B. Kulkarni)
Partner
F.C.S.7260; **C.P No.**7835
UDIN: F007260E000368170
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: May 24, 2023

Annexure – D to Board's Report

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)
CIN: L31904KA2019PLC121597
8th Floor, Brigade Opus 70/401,
Kodigehalli, Main Road, Bangalore -560092.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hitachi Energy India Limited (Formerly known as ABB Power Products and Systems India Limited) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2023 (April 01, 2022 to March 31, 2023), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st March 2023, according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of The Companies Act, 1956;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009; – Not Applicable as the Company did not issue any security during the financial year under review.
- (d) The Securities and Exchange Board of India (Share Benefits Employee Benefits and Sweat Equity) Regulations, 2021; - Not Applicable as the Company does not have Employee Stock Option Scheme for its employees;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; – Not applicable as the Company has not issued any debt securities during the financial year under review;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable as the Company has not done any buyback of its securities during the financial year under review.

vi. The Company has identified the following laws as specifically applicable to the Company:

1. Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder.

2. Boilers Act, 1923 & Rules made thereunder.

3. Electricity Act, 2003.

4. Indian Explosives Act, 1884.

5. Gas Cylinder Rules, 1981 (under Indian Explosives Act).

6. Static and Mobile Pressure Vessels (Unfired) Rules, 1981 (under Indian Explosives Act).

7. Environment (Protection) Act, 1986.

8. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ concerned State Rules.

9. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ concerned State Rules

10. Hazardous Wastes (Management and Handling) Rules, 1989.

11. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.

12. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ concerned State Rules.

13. The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.

14. The Employees’ State Insurance Act, 1948 & its Central Rules/ concerned State Rules.

15. The Minimum Wages Act, 1948 & its Central Rules/ concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.

16. The Payment of Wages Act, 1936 & its Central Rules/ concerned State Rules, if any.

17. The Payment of Bonus Act, 1965 & its Central Rules/ concerned State Rules, if any.

18. The Payment of Gratuity Act & its Central Rules/ concerned State Rules, if any.

19. The Maternity Benefit Act, 1961 & its Rules.

20. The Equal Remuneration Act, 1976.

21. The Industrial Employment (Standing Orders) Act, 1946 & its Rules.

22. The Apprentices Act, 1961 & its Rules.

23. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.

24. The Workmen’s Compensation Act, 1923.

25. The Industrial Dispute Act, 1947.

26. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. The Information Technology Act, 2000.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings, the decisions of the Board were taken unanimously.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

There were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

For BMP & Co. LLP
Company Secretaries

Pramod S M
Partner
FCS No: 7834 **C.P No:** 13784
UDIN: F007834E000368458

Place: Bengaluru
Date: May 24, 2023

This report to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)
CIN: L31904KA2019PLC121597
8th Floor, Brigade Opus 70/401,
Kodigehalli Main Road, Bangalore -560092

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, that we have we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP
Company Secretaries

(Pradeep B. Kulkarni)
Partner
FCS No: 7834 **C.P No:** 13784
UDIN: F007834E000368458

Place: Bengaluru
Date: May 24, 2023

Annexure – E to Board's Report

FORM AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:-

Details of the contracts entered into with related parties during the financial year 2022-23 (April 01, 2022 to March 31, 2023):

1. **Details of contracts or arrangements or transactions not at arm's length basis: -**

   There were no contracts or arrangements, or transactions entered into during the financial year ended March 31, 2023, which were not at arm's length basis.

2. **Details of material contracts or arrangements or transactions at arm's length basis:**

   There were no contracts or arrangements, or transactions entered into during the financial year ended March 31, 2023, which were material in nature and at an arm's length basis. However, the Company has entered into following related party transactions which were at arm's length **but not in the ordinary course of business:**

Name(s) of the related party and nature of the relationship	Nature of contracts/ arrangements/ transactions	Duration in month	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the Board, if any	Amount (in ₹ Crores)
(a)	(b)	(c)	(d)	(e)	(f)
ABB India Limited (INABB)	Availing of Power / DG services	6	Arrangement for payment of electricity charges for the shared factory locations pursuant to Scheme of Arrangement	May 26, 2022 (Adjourned and concluded on May 27, 2022)	16.94
ABB Information Systems Ltd.	Availing of IT support service	12	IT Support Service Agreement entered with ABB Information Systems Ltd., Zurich, Switzerland (CHGPL)	May 26, 2022 (Adjourned and concluded on May 27, 2022)	15.71
ABB PG Power Grids Ltd.	Availing of IT support service	12	IT Support Service Agreement entered with ABB PG Power Grids Ltd., (CHPPG)	May 26, 2022 (Adjourned and concluded on May 27, 2022)	53.23
ABB Information Systems Ltd.	Availing of IT support service	12	Change due to a reduction in the amount of already approved IT related services from ABB Information Systems Ltd., Zurich, Switzerland (CHGPL)	February 6, 2023	17.04
ABB PG Power Grids Ltd.	Availing of IT support service	12	Change due to an increase in the amount of already approved certain IT related services from ABB Information Systems Ltd., Zurich, Switzerland (CHGPL)	February 6, 2023	51.90
ABB India Limited	Stamp duty towards the transfer of assets/ title deeds	Not Applicable	Payment towards 10% cess on stamp duty payment towards transfer of assets/ title deed of Peenya property of the Company pursuant to the Scheme of Arrangement	July 22, 2022	0.44
ABB India Limited	Expenses for bifurcation of property card (Khata)	Not Applicable	The expense for bifurcation of property card (Khata) of Peenya property of the Company	July 22, 2022	0.2
ABB India Limited	Expenses for bifurcation of property card (Khata)	Not Applicable	The expense for bifurcation of property card (Khata) for Maneja property	July 22, 2022	0.2

Name(s) of the related party and nature of the relationship	Nature of contracts/ arrangements/ transactions	Duration in month	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the Board, if any	Amount (in ₹ Crores)
(a)	(b)	(c)	(d)	(e)	(f)
ABB India Limited	Availing of Power / DG services	6	Arrangement for payment of electricity charges for the shared factory locations pursuant to Scheme of Arrangement	November 4, 2022	16.94
Hitachi Energy Holdings Ltd	Availing Global IS Services/ IT Support Services	12	Availing Global IS Services/ IT Support Services from Hitachi Energy Holdings Ltd.	November 4, 2022	25.23
ABB India Limited	Real Estate Expenses	Not Applicable	Payment for real estate expenses arising consequent to the Demerger of Power Grids business	November 4, 2022	16.13
Hitachi Energy Ltd	Real Estate Expenses	Not Applicable	Reimbursement of amount paid to ABB India Limited for real estate expenses arising consequent to the Demerger of Power Grids business		

Note:

All above related party transactions with ABB India Limited and other related parties which are not in the "ordinary course of business", were necessitated consequent to the Demerger of Power Grids Business during the year 2019.

By order of the Board

For Hitachi Energy India Limited

(Formerly known as ABB Power Products and Systems India Limited)

Achim Michael Braun

Chairman

DIN: 08596097

Place: Bengaluru

Date: May 24, 2023

Annexure – F to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

1. **Brief outline of the CSR policy of the Company:**

Corporate Social Responsibility policy of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)

Hitachi Energy India Limited ("the Company") as a responsible Corporate entity strives to reach out to the wider community to ensure the well-being of the needy as a part of its Corporate Social Responsibility ("CSR"). The Company has always believed in and contributed to society. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth and is internalized as an integral part of the Company's strategy.

The Company views corporate social responsibility as a channel to further its cause of "bringing power to all by shaping the future of sustainable energy". The Company is committed to sustainable and inclusive development of the community's social capital through active engagement.

The Company has formulated a Policy for its CSR and also identified the following key areas for undertaking CSR activities:

- **Promote gender equality and empowering of women in the engineering work force**

  To promote gender equality by ensuring initiatives to empower / advancement of women and in the engineering work force, thereby increasing diversity and inclusion.

- **Endorse education, employability & health care**

  To create necessary infrastructure and resources to enable the promotion of primary education among children and impart vocational skills training to the youth, promoting health care including preventive health care.

- **Social impact projects**

  To collaborate with communities to provide innovative off-grid solutions to improve access to electricity in the country, especially in rural areas for its development.

- **Support national disaster management and other government initiatives**

  To actively support national disaster management including relief, rehabilitation and reconstruction activities and support in other initiatives for promoting, including preventive measures for health care systems, hygiene and sanitation.

- **Aid in sustainable development goals**

  To promote an ecosystem for sustainable development goals by encouraging the usage of indigenous, innovative and sustainable solutions thereby aiding, developing, promoting, facilitating and undertaking testing of new frontiers of science, technology, engineering, and environment in partnership with like-minded institutions, incubators and sponsors.

  The Company's Corporate Social Responsibility Policy is available at the following link: https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies

2. **Composition of the CSR Committee:**

Members of the Committee	Designation	No. of meetings of CSR Committee	
		Held	Attended
Ms. Akila Krishnakumar	Chairperson, Independent Director	4	4
Mr. Nuguri Venu	Managing Director and CEO	4	4
Mr. Achim Michael Braun	Non-Executive, Non-Independent Director	4	4

3. **Provide the web-link where the Composition of the CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

Composition of CSR committee	https://www.hitachienergy.com/in/en/investor-relations/board-of-directors
CSR Policy	https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies
CSR projects approved by the board	https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#corporatesocial-responsibility--csr

4. Provide the details of the Impact assessment of the CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the reports)

Not Applicable

5. Disclosures:

(a) Average net profit of the Company as per section 135(5):- ₹ 212.49 Crores

(b) Two percent of the average net profit of the Company as per section 135(5): ₹ 4.25 Crores for the financial year 2022-23

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set-off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 4.25 Crores for the financial year 2022-23.

6. Details:

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1.63 Crores

(b) Amount spent in Administrative Overheads: ₹ 0.1 Crore

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 1.63 Crores

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5)		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
1,73,05,050	2,51,87,013	April 28, 2023	-	-	-

(f) Excess amount for setoff, if any : NIL

S. No.	Particulars	Amount (₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	4,25,10,463
(II)	Total amount spent for the financial year	1,73,05,050
(iii)	Excess amount spent for the financial year {(iii)-(i)}	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
S. No.	Preceding FY	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any (in ₹)
					Amount (in ₹)	Date of Transfer		
1	Financial period 2019 (February 19, 2019 to December 31, 2019)	NA	NA	NA	NA	NA	NA	NA
2	FY2020 (January 01, 2020 to December 31, 2020)	3,33,83,488	NIL	3,33,83,488	-	-	NIL	-
3	Financial period 2021-22 (January 01, 2021 to March 31, 2022)	1,42,91,633	1,055	1,42,90,578	-	-	1,055 *	

* The amount has been spent by the Company on May 12, 2023.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NIL

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset (s)	Date of creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if Applicable	Name	Registered address
1	2	3	4	5	6.i	6.ii	6.iii
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5):

During the year under review the Company was required to spend ₹ 4.25 Crores, out of which the Company has spent ₹ 1.73 Crores and an amount of ₹ 2.52 Crores remain unutilized due to the work being incomplete/ not due for payment to Vendors / service providers which includes multi-year projects. The Company has transferred the unutilized amount(s) to a specified account in accordance with the Act and the same will be utilized and spent within the prescribed time limits.

By order of the Board
For Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)

Nuguri Venu
Managing Director and CEO
(DIN:07032076)

Akila Krishnakumar
Chairperson - CSR Committee
(DIN:06629992)

Place: Bengaluru
Date: May 24, 2023

Annexure – G to Board's Report

Conservation of energy, technology absorption, foreign exchange earnings and outgo.

Pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. Conservation of energy

1. Steps taken or impact on conservation of energy:

- Switch over to PNG (Piped Natural Gas) from HSD (High Speed Diesel) completed for small power transformer, traction and instrument transformer factories resulting in the reduction of CO_2 emission approximately by 220T.
- Power saving in lighting achieved by installing motion sensors in washrooms and meeting rooms. It has resulted in energy saving by controlling the operation of lights in day hours.
- Conventional lights with 24.2 kw of load were replaced by LED lights of 13.25 kw with saving of more than 39,000 kWh/annum
- At gas insulated switchgear factory, replaced conventional and T5 fixtures with energy efficient Light Emitting Diode light in offices. It has resulted in saving of more than 21,000 kWh. All upcoming infrastructure investment are planned with installation of LED.
- Completed Installation of 16 water meters in the water distribution network. This will support in mapping water consumption pattern of factories and utilities including reduction in water wastages due to the leakages.
- Digital water flow meters are installed and improved water consumption monitoring and controlling including saving in energy. Specific water consumption in Maneja factory reduced by more than 4,500 kilo litres and corresponding energy.
- In Canteen, initiated and completed the collection of reject water from RO plant in separate water tank which is further used for the washing of utensils, cleaning of floors and other misc. work.
- In Traction factory, replaced the GI roof sheets by polycarbonate sheets which has resulted in energy saving by switching of the lights in daytime - saving of more than 12,000 kilo-watt hours (kWh).
- Maintained the power availability of Power distribution network more than 99 percent which has resulted in reduction in HSD consumption and energy saving by reducing the reprocess time.
- In GIS factory, installed VFDs in Air handling units to get reliability and efficiency of blowers along with energy conservation resulting in saving of more than 55,000 kWh.
- Maintained power factor 0.99 by Automatic Power Factor Control panel, thereby getting rebate in energy bill.
- In Dry & Traction transformer factory, installed the Lighting Transformer in plant and office area light fixtures. It has resulted in saving in energy as well as reduced the maintenance cost by stabilizing the voltage in lighting circuits.
- Installed solar tubes on the factory roof resulting in improving lux level in factory area and saving in energy.
- Installed HVLS (High volume low speed) fans which has resulted in removal of multiple industrial fans with improved uniform cooling and saving energy of more than 500 kWh / annum.
- Modified capacitor manufacturing process and made energy efficiency improvement in heating system which resulted saving in energy and process time by occupying less space compared to earlier process. New heating process consumes 40 percent less energy.

2. Steps taken by the Company for utilizing alternate sources of energy:

- Achieved 100 percent fossil-free electricity in its own operations as part of Sustainability 2030 target of becoming carbon-neutral in its own operations.
- For achieving fossil free electricity, various steps were taken during the year such as installing solar roof panels, switching electricity contracts to green tariffs, buying International Renewable Energy Certificates (IRECs), and signing Power Purchase Agreements (PPA)
- Started using PNG (Piped natural gas) instead of HSD (High Speed diesel).
- Increased the capacity of solar installation in Maneja factory from 292 kW to 938 kW which will be commissioned in the FY 2023-24.

3. The Capital Investment on energy conservation equipment:

- Power factor improvement solutions
- Solar PV installations
- Smart energy and water meters
- Equipment for using PNG (Piped Natural Gas) in thermic fluid heater instead of HSD (High Speed Diesel)
- Light Emitting Diode lighting and motion sensor system for lighting control
- Energy efficient heating system in capacitor manufacturing process

B. **Technology Absorption**

1. **Technologies imported during the last three years**

- Transient Voltage Protection Technology for protection against switching surges.
- Short Circuit testing of largest rated 7760 kVA Dry type Excitation transformer
- Elliptical windings for 800kV UHVAC transformers
- TrafostarLite design platform for 30.24MVA 220kV 1-ph Railway Trackside transformers and was short circuit testing
- Touchless inspection of power transformers with TXplore – an inspection robot remotely operated without the need to remove oil from transformer
- Digital Transformer technologies on new and installed power transformers
- 400kV GIS Module Production technology
- Technology for “V” type center break disconnector (145kV, 44kA STC rating)
- Manufacturing of test switch type RTNA for automation products
- In automation system business:
  - Synchro Phasors measurement and monitoring Systems
  - MPLS (Multiprotocol Label Switching) - Broadband Fiber optic communication system for power utility & oil & gas sector applications
  - Network Manager SCADA for REMC
- New UHVDC transformer manufacturing technology
- Transformer digitalization with lab testing transformer
- Dynamic Short Circuit test on 400kV 110MVA Station transformer at utility lab
- Competency for Seismic, 3-D Dielectric and Electromagnetic studies
- 6.8 MVA 22/0.76 Aluminum Wound Excitation Transformer
- 3.5/4 MVA 33/27.5 Single Phase Aluminum Wound Transformer
- 145kV GIS (ELK04) bay and module production
- Dead Tank Breakers (72.5kV and 145kV)
- Hybrid PASS 145kV (MEB0)
- Reliability centered maintenance Solutions (RelCare)
- Prefabricated GIS Substation as an alternative to RCC Buildings
- Base Solutions for Solar PV Skid
- Building Information Modelling (BIM) and 3D Design for Substation Project Lifecycle
- New bistable relay for PT selection under COMBIFLEX relay portfolio
- In automation system business:
  - Electrical Network Control Center SCADA (Supervisory Control and Data Accusation)
  - RTU (Remote Terminal Units) for distribution automation
  - Motor Protection system
  - Digital process bus based busbar protection
- Enterprise Asset Management (EAM) and Field Service Management (FSM)
- 400kV Oil filled Cable box in Tap-less GSU (Generator Step up Transformer) 400kV 306MVA bank for Hydroelectric project in the state of J&K. Dynamic Short Circuit Test successfully done.
- Fully digital 63 MVA 220kV power transformer equipped with e-Devices, ODGA (CoreSense), CT4 (TXpert hub)
- Traction Transformer design for Vande Bharat Train operated by Indian Railways.
- Largest Solar Transformer engineering solution of 315MVA 400kV 3-phase transformer
- 24 pulse Rectifier duty Transformer for industrial and metro applications
- 145 kV hybrid GIS Pole assembly engineering and cable configuration
- Fabricated Local Control Cubicle for Dead Tank Breakers
- Hybrid GIS 170kV
- Localization and qualification of assembly of HV Switchgear: 63 kA Interrupter; Spring Operated drive (1250J) for 245 kV DTB and Hybrids; Spring Operated drive (2500J) for 420 kV LTB; Dead Tank Breaker poled for 420/362 kV, 550 kV with and without PIR; Hybrid GIS pole for 72.5-123-145 and 245 kV; Hybrid GIS pole for Wind Tower Applications for Wind
- Vertical Break Disconnectors 145-170 kV
- Manufacturing/Assembly and Testing of HVDC Light, Classic and STATCOM Valves; HVDC Control and Protection

- RelScan (A detailed assessment of the system) for reliability-centered maintenance (RCM) of power assets and systems.
- Automation products: Development of relays with alternate mounting & connection
- Automation system technologies with:
  - Remedial Action Schemes
  - Centralized fault locator for Railways
  - New SCADA platform adoption for Industrial application
  - Digital busbar for large system application
- Lumada Asset Performance Management (Lumada APM)
- Vegetation Manager
- Energy Trading & Risk Management (ETRM)
- Network Manager SCADA, SCADA/EMS

2. Efforts made towards technology absorption

Technology absorption	Benefits derived as a result of the technology absorption
• 400kV Oil filled Cable box developed and deployed in Tap-less GSU (Generator Step up Transformer) 400kV 306MVA bank for Hydroelectric project in the state of J&K. Dynamic Short Circuit Test successfully done.	New engineering solution launched to support large transformers connected to GIS within less space. New reference for Short Circuit test at NHPTL Bina SC lab established.
• Bagged India's first fully digital power transformer 63 MVA 220kV from Goa Electricity Department. Equipped with e-Devices, ODGA (CoreSense), CT4 (TXpert hub)	Local Techno-operational knowledge developed through last year's pilot Digitalization project would help deliver this 1st Digital Transformer project and set the stage for new larger and more involved Digital transformer projects.
• Indigenously developed Traction Transformer design for Vande Bharat Train operated by Indian Railways. With this bagged 1st order to be supplied from Hitachi Energy Savli, Vadodara factory.	This order will pave the way for supporting new railway projects launched by Indian railways using "Make in India" approach.
• Developed 1st largest Solar Transformer engineering solution of 315MVA 400kV 3-phase transformer under commissioning at JSW. With the developed solution bagged India's largest Solar Transformer supply order of 10 x 315MVA, 400kV (27 MUSD) for NTPC Khavda project. One unit will be tested for Short Circuit.	Will gain valuable experience of deploying latest engineering solution for upcoming Solar / Renewable Power projects and further footprint in growing Renewable segment.
• Indigenously developed Hitachi Energy India's 1st 24 pulse Rectifier duty Transformer and bagged orders from MRF and Indore & Bhopal metro.	Building up leadership in 24-pulse unique technology to help supply Dry transformers for Industrial and Metro Rail projects.
• Pioneering development of Hitachi Energy design Solution for "Scott and V Connected Transformers" rated 100MVA and 63 MVA respectively, which would support Indian Railway network for upgrading their 25kV Electrification for high and semi high-speed rail transportation with lowest transformer footprints and enhancing the power capacity from traditional transformer solution.	Unique design Solution for 3phase to single phase 25kV Track-feeder transformers with strong SC withstand performance demonstrated through DSC test
• Developing local capability to design, manufacture, test and supply VSR ("Variable Shunt Reactors") up to 400kV range adopting global technology for local and export customer projects for reactive power compensation and system stability.	VSR Transfer of Technology and Order pursuits are in progress aimed to build up future capability
• Digitally enabling ecosystem offering for complete transformer solution with TXpert HUB Offering for asset monitoring, condition monitoring, Operation & control of transformers installation with precise predictability and life cycle management offering fulfilling requirement of cyber security, compatibility & retrofit ability.	Fully establish Transformer Digitalization capability including installation, operation and maintenance of elements like TXpert Sensors, TXpert HUB, Lumada APM & TXservices
• Introduction of 420 kV, 63 kA SF6 Circuit Breaker Type LTB 420E2 with FSA2 mechanism.	Cost effectiveness
• Heating and vacuum process and single unit oil impregnation process of capacitor manufacturing process. New capacitor manufacturing process developed from batch manufacturing to Lean manufacturing.	Reduction in power consumption
• LV Automatic power factor correction panel successfully tested for short time withstand test 70kA for 0.5 sec	Wider Market reach
• Successfully completed type test as per IEC and IEEE standard to quality the INPQP factory at Doddballpura for North American, European and Middle-east and Indian transmission markets	Qualify for North American market and Middle east Market Transco Ltd, PowerGrid India approval.
• ENDC (Economic normal duty capacitor) developed for North American Market successfully completed type test which includes – 40 deg C overvoltage cycle test	Cost reduction project to increase market share in North American market.
• 145 kV hybrid GIS structure calculation and drawings	Able to manufacture the structure in local market
• Metal Enclosed Breaker (MEB) pole engineering approval	Can be offered to customer as a standard configuration

Technology absorption	Benefits derived as a result of the technology absorption
• Oil Impregnated Intermediate Potential Transformer for Capacitor Voltage Transformer	Lower cost and higher reliability
• Establishment of new feeder factory Dead Tank Breaker poles	Make In India, Cost benefits, more competitive
• Investment for ramping up existing Production Unit set up to adapt new Dead Tank Breakers & Hybrid GIS.	Cost effective product introduction
• New factory for Spring drives production set up	Make In India, Cost benefits, more competitive
• Factory setup at Chennai with Assembly & Test equipment, Training of Key resources on the assembly and testing, Documentation of Assembly and Testing process	Locally assemble and Test HVDC equipment of Valve/Control & protection system for projects executed by Hitachi Energy India Limited with better competitiveness.
• Adoption of *RelScan* offering in services portfolios to do condition assessment of substation equipment's in customer sites.	Secured new order from Steel customer in western part of India.
• Development of relays with alternate mounting & connection (first release planned in FY 2023-24)	Market penetration and expansion in COMBIFLEX and COMBITEST portfolio for relays
• Engineered Remedial Action Schemes for load management application	Remedial Action Scheme for cross border load management application between India and Nepal
• Engineered Centralized fault locator for Dedicated fright corridor High Speed Railway application	Centralized fault locator for High-Speed Railway application 2 x 25kV system EDFC
• Engineered New SCADA platform adoption for Industrial application to maintain the system life cycle and serviceability	New SCADA platform adoption for Industrial application in Vedanta/Hindalco/BCPL
• Engineered Digital busbar for large system application using advanced communication application	Digital busbar for large system application for TANTRANSCO
• Enterprise Asset Management (EAM) and Field Service Management (FSM)	Received order from for BMRCL Phase 2 (Reach 5&6) for Maintenance Planning System where EAM and FSM will be implemented. Implementing this solution will facilitate to improve and optimize asset maintenance with also tracking of maintenance activities.
• Ellipse EAM and FSM • Lumada Asset Performance Management (Lumada APM) • Vegetation Manager • Energy Trading & Risk Management (ETRM) • Network Manager SCADA, SCADA/EMS	Various customer engagements were done during Apr2022-Mar2023 towards positioning these solutions to different customers. Further for few of the cases budgetary proposals are also submitted and under discussions. Also, there are tenders for Network Manager SCADA and SCADA/EMS which is presently in bidding stage.

3. The expenditure incurred on Research and Development:

Considering the nature of research and development, complexity, competency required, time frame, amount and also to optimize overall cost, all major R&D efforts are pooled centrally at the Group level. The expenditure has mainly been in the nature of payment of license fee for use of technology know-how reported as royalty and technology fees under other expenses. Certain development activities carried out by the Company have been billed to the Group central technology center. Local R&D activities undertaken by the Company were mainly in localizing the products, adoption of global products to local environment, carrying out cost saving actions and other improvements. During the year under review, the Company has paid INR 146.22 Crores as royalty and technology fees to Hitachi Energy Switzerland Ltd.

C. Foreign exchange earnings and outgo:

Total foreign exchange used and earned

(Amount in ₹ Crores)

Particulars	2022-23 (April 01, 2022 to March 31, 2023)	2021-22 (January 01, 2021 to March 31, 2022)
Foreign Exchange earned	1188.62	1,123
Foreign Exchange used	1068.14	1,304

On behalf of Board of Directors
For **Hitachi Energy India Limited**
(Formerly known as ABB Power Products and Systems India Limited)

Achim Michael Braun
Chairman
DIN: 08596097

Place: Bengaluru
Date: May 24, 2023

Independent Auditor's Report

To the Members of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition for long term projects and contract estimates *(as described in Note 38 of the accompanying financial statements)*	
A significant portion of the Company's business comprises of long-term fixed price projects. Revenue from these contracts is recognized in accordance with the principles laid down in Ind AS 115, Revenue from Contracts with Customers and as detailed in "significant accounting policies" of the financial statements. In accordance with Ind AS 115, the Company classifies its various contracts with customers and determines whether revenue should be recognized at "point in time" or "over the time" basis.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the revenue recognition accounting policies by comparing with applicable accounting standards. • We tested key controls (both design and operating effectiveness) with respect to revenue recognition and related cost estimations.

Key audit matters	How our audit addressed the key audit matter
There are various areas involving complexities, judgements and estimates involved in accounting for revenue recognized on "over the time" basis, including: • Estimation of total contract costs at inception and remaining costs to completion, which is a critical factor in measuring progress of a contract and amounts of revenue to be recognized; and • Assessment of various risks emanating from operational delays, contract terms, changes in estimations and scope, accounting for onerous obligations, technical, legal, external environment etc. This requires the Company to estimate various costs to capture such risks, including liquidated damages and warranties. In view of the above and because the Company and its external stakeholders focus on revenue as a key performance indicator, we determined this area to be an area involving significant risk, an area of audit focus, and accordingly a key audit matter.	• We carried out analytical procedures on revenue recognized during the year ended to identify unusual variances. • We performed substantive testing by selecting samples of revenue transactions, recorded during the year ended by testing the underlying documents using statistical sampling. • We evaluated management's estimates (contract costs and risk provisions) by performing analytical procedures on such estimates. • We performed a retrospective review for contracts completed during the current year by comparing the final outcome of the contracts with previous estimates made for those contracts to assess the reliability of the management's estimation process. • We performed tests for completeness and appropriateness of actual cost booked in the correct period, by testing the underlying documents for samples selected using statistical sampling. • We assessed the disclosures made in the financial statements.
<u>Trade receivables (including unbilled revenue) and contract assets</u> *(as described in Note 38 of the accompanying financial statements)*	
Trade receivables including unbilled revenue and retention money with customers and contract assets forms a significant part of the financial statements. Customer contracts typically involve time consuming and complex conditions around closure of contracts, including technical acceptances. This generally leads to longer and significant time for realization of receivables. As a result of the above, management's assessment of recoverability of trade receivables (including unbilled revenue) and contract assets, involves critical evaluation of all factors impacting recoverability, including impact of external environment, capability of customers to pay, historical payment records, evaluation of litigations, etc. including the possible effect from the pandemic relating to COVID-19. Management makes an impairment allowance for trade receivables (including unbilled revenue) and contract assets on the basis of it's assessment of recoverability of specific customers and on the basis of expected credit loss model for the remaining customers in accordance with Ind AS 109, Financial Instruments. For the purposes of impairment assessment, significant judgements and assumptions are made, including assessing credit risk, timing and amount of realization, etc. In view of above, we determined this area to be an area of audit focus, and accordingly a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We obtained an understanding of the processes implemented by management over the recognition and the recoverability of the trade receivables (including unbilled revenue) and contract assets. • We tested key controls (both design and operating effectiveness) over the recognition and the recoverability of the trade receivables (including unbilled revenue) and contract assets. • We obtained and tested the ageing of aforesaid receivables / assets on a sample basis. • We performed test of details and tested relevant contracts and documents for material trade receivable balances (including unbilled revenue) and amounts included in contract assets. • We evaluated the model adopted by management to estimate the expected credit loss including the possible effect from the pandemic relating to COVID-19. We enquired the management in respect of the various judgements and estimates made relating to impairment provision against trade receivable (including unbilled revenue) and contract assets. • We obtained and discussed management assessment of impairment for specific customer balances and understood reasons for the determination. • We have circulated direct confirmations on a sample basis using statistical sampling. In case of non- receipt of such confirmations, alternate test procedures such as testing subsequent receipts and underlying documents have been performed. • We assessed the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as applicable under the applicable laws and regulations.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and

whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the accompanying financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Notes 18 and 22 to the accompanying financial statements;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

      iv. a) The management has represented that, to the best of its knowledge and belief, and as disclosed in the note 45 to the accompanying financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, and as disclosed in the note 45 to the accompanying financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 16 to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Sandeep Karnani**
Partner
Membership Number: 061207
UDIN: 23061207BGYKVA1541

Place: Bengaluru
Date: May 24, 2023

Annexure 1 to the Independent Auditor's Report

Annexure 1 referred to in clause 1 of paragraph on the 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee and as tabulated below) as disclosed in note 3 to the accompanying financial statements included in property, plant and equipment are held in the name of the Company. Certain immovable properties acquired as per the scheme of arrangement approved by the National Company Law Tribunal vide its order dated November 27, 2019 included in property, plant and equipment and as tabulated below are not held in the name of the Company.

Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
Freehold/ Leasehold land and buildings attached to it	₹ 170.50 Crores	ABB India Limited	No	Since 2019	We understand from the management that registration is in process.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2023.

(e) As disclosed in note 45 to the accompanying financial statements, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties and goods in transit. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been substantially confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed.

(b) The Company has not been sanctioned working capital limits in excess of Rupees five Crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company and hence not commented upon.

(iii) (a) During the year the Company has provided interest free loans to other parties (i.e. employees) as summarized below:

Particulars	**Loans**
Aggregate amount granted/ provided during the year - Others (loans to employees)	₹ 5.12 Crores
Balance outstanding as at balance sheet date in respect of above cases - Others (loans to employees)	₹ 5.68 Crores

Other than the above, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to the companies, firms, Limited Liability Partnerships or any other parties.

(b) The terms and conditions of the grant of all loans to employees during the year are, in our opinion, prima facie, not prejudicial to the Company's interest. Other than above, the Company has not made investments, provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

(c) The Company has granted loans during the year to the employees where the schedule of repayment of principal has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans or advances in nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advances in nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.

(iv) There are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and accordingly the requirement to report on clause 3(iv) of the Order is not applicable to the Company and hence not commented upon.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company and hence not commented upon.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act related to the products manufactured by the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

(viii) As disclosed in note 45 to the accompanying financial statements, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) As disclosed in note 45 to the accompanying financial statements, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company and hence not commented upon.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company and hence not commented upon.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company and hence not commented upon.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company and hence not commented upon.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company and hence not commented upon.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by auditors as applicable in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company and hence not commented upon.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with the directors as referred to in section 192 of the Act and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company and hence not commented upon.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company and hence not commented upon.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company and hence not commented upon.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company and hence not commented upon.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company and hence not commented upon.

(xix) On the basis of the financial ratios disclosed in note 42 to the accompanying financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 41 to the accompanying financial statements.

(b) All amounts that are unspent under section (5) of section 135 of the Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 41 to the accompanying financial statements.

For **S.R. Batliboi & Associates LLP**
ICAI firm registration number: 101049W/E300004
Chartered Accountants

per **Sandeep Karnani**
Partner
Membership Number: 061207
UDIN: 23061207BGYKVA1541

Place: Bengaluru
Date: May 24, 2023

Annexure 2 to the Independent Auditor's Report

Annexure 2 to the Independent Auditor's report of even date on the financial statements of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Sandeep Karnani**
Partner
Membership Number: 061207
UDIN: 23061207BGYKVA1541

Place: Bengaluru
Date: May 24, 2023

Balance Sheet
as at March 31, 2023

All amount in Indian Rupees in Crores, except as stated otherwise

	Notes	March 31, 2023	March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	616.75	547.21
Right-of-use assets	3	63.70	71.95
Capital work-in-progress	4	48.67	118.33
Goodwill	5	31.80	31.80
Other intangible assets	5	1.08	1.58
Financial assets			
Loans	6	3.49	2.18
Other financial assets	7	13.59	13.63
Non-current tax assets (net)	8	33.80	15.06
Deferred tax assets (net)	9	31.87	34.83
Other non-current assets	10	1.90	6.04
		846.65	**842.61**
Current assets			
Inventories	11	817.90	707.25
Financial assets			
Trade receivables	12	1,527.77	1,418.70
Cash and cash equivalents	13	163.19	85.90
Bank balances other than cash and cash equivalent	14	0.10	0.04
Loans	6	2.19	3.24
Other financial assets	7	34.47	53.10
Other current assets	15	526.24	413.04
		3,071.86	**2,681.27**
Total Assets		**3,918.51**	**3,523.88**
Equity and liabilities			
Equity			
Equity share capital	16	8.48	8.48
Other equity	17	1,206.83	1,123.91
		1,215.31	**1,132.39**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	36(b)	46.62	52.84
Other financial liabilities	18	2.20	3.17
		48.82	**56.01**
Current liabilities			
Financial liabilities			
Borrowings	19	275.00	125.00
Lease liabilities	36(b)	12.69	12.16
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	76.22	84.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	1,438.40	1,534.98
Other financial liabilities	18	123.08	94.49
Other current liabilities	21	533.79	297.25
Provisions	22	195.20	174.30
Liabilities for current tax (net)		-	13.28
		2,654.38	**2,335.48**
Total equity and liabilities		**3,918.51**	**3,523.88**

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of
Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)
Corporate identity number (CIN) : L31904KA2019PLC121597

per Sandeep Karnani
Partner
Membership no. 061207

Achim Michael Braun
Chairman & Director
DIN: 08596097

Nuguri Venu
Managing Director & CEO
DIN: 07032076

Mukesh Hari Butani
Director
DIN: 01452839

Ajay Singh
Chief Financial Officer

Poovanna C Ammatanda
General Counsel &
Company Secretary
(FCS4741)

Place: Bengaluru
Date: May 24, 2023

Bengaluru
May 24, 2023

Statement of profit and loss
for the year ended March 31, 2023

All amount in Indian Rupees in Crores, except as stated otherwise

	Notes	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Income			
Revenue from operations	23	4,468.51	4,883.96
Other income	24	15.14	66.94
Total income		**4,483.65**	**4,950.90**
Expenses			
Cost of raw materials, components consumed and project bought outs	25	2,721.24	2,780.09
Purchase of stock-in-trade		85.61	118.24
(Increase)/ decrease in inventories of finished goods, work-in-progress and stock-in-trade	26	(95.89)	(127.15)
Subcontracting charges		150.58	286.50
Employee benefits expense	27	417.29	486.75
Depreciation and amortisation expense	28	80.16	95.46
Finance costs	29	40.09	41.39
Other expenses	30	953.75	1,028.88
Total expenses		**4,352.83**	**4,710.16**
Profit before exceptional items and tax		**130.82**	**240.74**
Exceptional items	39	-	(35.85)
Profit before tax		**130.82**	**276.59**
Tax expense:			
Current tax	9	35.94	87.83
Adjustment of tax relating to earlier periods	9	(1.39)	-
Deferred tax charge/ (credit)	9	2.37	(14.64)
Total tax expense		36.92	73.19
Profit for the year/period		**93.90**	**203.40**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plan	32	2.33	6.61
Income tax effect	9	(0.59)	(1.66)
Other comprehensive income for the year/period, net of income tax		**1.74**	**4.95**
Total comprehensive income for the year/period, net of income tax		**95.64**	**208.35**
Earnings per equity share of face value of ₹ 2 each	31		
Basic and diluted (₹)		22.16	47.99

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership no. 061207

Place: Bengaluru
Date: May 24, 2023

For and on behalf of the Board of Directors of
Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)
Corporate identity number (CIN) : L31904KA2019PLC121597

Achim Michael Braun
Chairman & Director
DIN: 08596097

Nuguri Venu
Managing Director & CEO
DIN: 07032076

Mukesh Hari Butani
Director
DIN: 01452839

Ajay Singh
Chief Financial Officer

Poovanna C Ammatanda
General Counsel &
Company Secretary
(FCS4741)

Bengaluru
May 24, 2023

Statement of cash flows
for the year ended March 31, 2023

All amount in Indian Rupees in Crores, except as stated otherwise

		For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
A.	**Cash flows from operating activities**		
	Profit before tax	**130.82**	**276.59**
	Adjustments to reconcile profit before tax to net cash flows from operating activities		
	Depreciation and amortisation expense	80.16	95.46
	Liabilities/ provisions no longer required written back	(14.55)	(41.49)
	Unrealised exchange (gains)/ loss (net)	2.85	(3.80)
	Mark to market change in forward, commodity contracts and embedded derivative contracts	(0.10)	16.18
	Loss on sale of fixed assets (net)	0.47	1.42
	Provision for doubtful debts and advances/ bad debts/ advances written off	14.49	26.03
	Interest income	(0.57)	(0.94)
	Finance costs	40.09	41.39
	Operating profit before working capital changes	**253.66**	**410.84**
	Movement in working capital		
	Increase/ (decrease) in trade payables	(90.57)	96.44
	Increase/ (decrease) in other financial liabilities	6.22	(5.49)
	Increase/ (decrease) in other liabilities and provisions	260.43	(339.73)
	(Increase)/ decrease in trade receivables	(125.34)	190.72
	(Increase)/ decrease in inventories	(110.65)	(212.17)
	(Increase)/ decrease in other financial assets	(7.92)	1.52
	(Increase)/ decrease in loans and other assets	(113.89)	(175.99)
	Cash generated from operations	**71.94**	**(33.86)**
	Direct taxes paid (net of refunds)	(66.57)	(92.83)
	Net cash flows from/(used in) operating activities	**5.37**	**(126.69)**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment including capital advances (net of reimbursement of capital expenditure)	(11.94)	(167.39)
	Proceeds from sale of property, plant and equipment	0.04	0.54
	Purchase of intangible assets	(0.07)	(0.61)
	Interest received	0.20	0.51
	Net cash flow used in investing activities	**(11.77)**	**(166.95)**
C.	**Cash flows from financing activities**		
	Proceeds from/ (repayment of) short term borrowings (net)	150.00	125.00
	Finance costs paid	(35.81)	(37.18)
	Payment of principal portion of lease liabilities	(13.60)	(14.59)
	Payment of interest portion of lease liabilities	(4.24)	(4.20)
	Dividend paid on equity shares	(12.66)	(8.44)
	Net cash flow from financing activities	**83.69**	**60.59**
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**77.29**	**(233.05)**
	Cash and cash equivalents at the beginning of the year/period	**85.90**	**318.95**
	Cash and cash equivalents at the end of the year/period	**163.19**	**85.90**
	Components of cash and cash equivalents (refer note 13)	**163.19**	**85.90**
		163.19	**85.90**

Notes:
i. Cash and cash equivalents at the end of the year/period represent cash and cheques on hand/ remittance in transit and cash at bank.
ii. Cash flow statement is made using the indirect method.
iii. Refer note 13 for details pertaining to changes in liabilities arising from financing activities.

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership no. 061207

Place: Bengaluru
Date: May 24, 2023

For and on behalf of the Board of Directors of
Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)
Corporate identity number (CIN) : L31904KA2019PLC121597

Achim Michael Braun
Chairman & Director
DIN: 08596097

Nuguri Venu
Managing Director & CEO
DIN: 07032076

Mukesh Hari Butani
Director
DIN: 01452839

Ajay Singh
Chief Financial Officer

Poovanna C Ammatanda
General Counsel &
Company Secretary
(FCS4741)

Bengaluru
May 24, 2023

Statement of changes in equity

for the year ended March 31, 2023

a. Equity share capital:

Equity shares of ₹ 2 each issued, subscribed and fully paid

All amount in Indian Rupees in Crores, except as stated otherwise

	Number of shares	Amount
As at January 1, 2021	4,23,81,675	8.48
Changes in equity share capital	-	-
As at March 31, 2022	**4,23,81,675**	**8.48**
Changes in equity share capital	**-**	**-**
As at March 31, 2023	**4,23,81,675**	**8.48**

b. Other equity:

Attributable to equity shareholders

All amount in Indian Rupees in Crores, except as stated otherwise

	Reserves and surplus					
	Securities premium	**General reserve**	**Retained earnings**	**Capital reserve**	**Amalgamation adjustment deficit account**	**Total equity**
As at January 1, 2021	**9.80**	**507.10**	**408.52**	**0.18**	**(1.56)**	**924.04**
Profit for the period	-	-	203.40	-	-	203.40
Other comprehensive income for the period (net of tax)	-	-	4.95	-	-	4.95
Dividend for the year ended December 31, 2020 (₹ 2 per share of face value of ₹ 2 each)	-	-	(8.48)	-	-	(8.48)
As at March 31, 2022	**9.80**	**507.10**	**608.39**	**0.18**	**(1.56)**	**1,123.91**
Profit for the year	-	-	93.90	-	-	93.90
Other comprehensive income for the year (net of tax)	-	-	1.74	-	-	1.74
Dividend for the period ended March 31, 2022 (₹ 3 per share of face value of ₹ 2 each)	-	-	(12.72)	-	-	(12.72)
As at March 31, 2023	**9.80**	**507.10**	**691.31**	**0.18**	**(1.56)**	**1,206.83**

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership no. 061207

Place: Bengaluru
Date: May 24, 2023

For and on behalf of the Board of Directors of
Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)
Corporate identity number (CIN) : L31904KA2019PLC121597

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Ajay Singh
Chief Financial Officer

Poovanna C Ammatanda
General Counsel &
Company Secretary
(FCS4741)

Bengaluru
May 24, 2023

Notes to the financial statements
for the year ended March 31, 2023

1. Corporate Information

Hitachi Energy India Limited (name change with effect from November 12, 2021, formerly known as ABB Power Products and Systems India Limited ('the Company' or 'APPSIL') is a public limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act, 2013 on February 19, 2019. The registered office is located at Bengaluru. The Company serves utility and industry customers, with the complete range of engineering, products, solutions and services in areas of Power technology. The Company has extensive installed base for manufacturing and a countrywide marketing and service presence. Besides catering to Indian domestic market, the Company is also playing an increasing role in the global market.

The equity shares of the Company have been listed and are being traded on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

The financial statements are approved for issue by the Company's Board of Directors on May 24, 2023.

2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its Ind AS financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise stated.

2.1 Basis of preparation of financial statements

A. Statement of compliance

These financial statements of the Company are prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provision of the Act as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern

B. Functional and presentation currency

The financial statements are presented in Indian Rupees Crores which is the currency of the primary economic environment in which the Company operated, rounded off to two decimal places, except where otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost convention and on accrual basis, except for certain financial instruments *(refer accounting policy regarding financial instruments)*, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

D. Comparatives

The financial statements provide comparative information in respect of the previous period. However, in the previous period, the financial year of the Company had changed from January 01 - December 31 to April 01 - March 31. Consequently, the previous financial year was changed from January 01, 2021 - December 31, 2021 to January 01, 2021 - March 31, 2022 (15 months period) and, from current year onwards, the financial year of the Company would be from April 01 to March 31 every year. Therefore, the current financial year is from April 01, 2022 to March 31, 2023 and comparative period is from January 01, 2021 to March 31, 2022.

2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.3. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Critical accounting estimates, assumptions and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant judgements and estimates relating to the carrying values of assets and liabilities include, determination of estimated projected cost and revenue in long term contracts, determination of term of lease contracts, fair value measurement, impairment of goodwill, provision for employee benefits and other provisions, recoverability of deferred tax assets and commitments and contingencies.

2.3.1 Estimates and assumptions

a. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b. Provision for employee benefits

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate and past trends. Further details about gratuity obligations are given in Note 32.

c. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

d. Project revenue and costs

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Further, the percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. This requires the Company to estimate various costs to capture such risks, including liquidated damages and warranties. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

e. Provision

Significant estimates are involved in the determination of provisions related to liquidated damages, onerous contracts and warranty provision. The Company records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. Warranty provision is determined based on the historical trend of warranty expense for the same types of goods for which the warranty is currently being determined, after adjusting for unusual factors related to the goods that were sold or based on specific warranty clause in an agreement. Such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. The provision for warranty, liquidated damages and onerous contracts is based on the best estimate required to settle the present obligation at the end of reporting period.

f. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

g. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

h. Taxes

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous assessments and interpretations of tax regulations by the Company.

i. Impairment allowance for trade receivables

The Company uses a provision matrix to calculate Expected Credit Losses ('ECL') for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer type, rating and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

j. Leases: whether an arrangement contains a lease

The Company determines the lease term as the agreed tenure of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

2.4 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

All assets and liabilities have been classified as current or non- current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non- current classification of assets and liabilities, except for long-term contracts. The projects business comprises long-term contracts which have an operating cycle exceeding one year. For classification of current assets and liabilities related to projects business, the Company uses the duration of the individual life cycle of the contract as its operating cycle.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period;

The Company classifies all other liabilities as non-current;

Advance tax paid is classified as non-current assets

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Foreign Currency

Functional currency

The functional currency of the Company is the Indian Rupee.

Transactions and translations Initial recognition transactions in foreign currencies are recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. The gains or losses resulting from such translations are recognised in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was measured. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

2.6 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue are stated exclusive of goods and service tax and net of trade and quantity discount.

Liquidated damages / penalties are provided for as per the contract terms wherever there is a delayed delivery attributable to the Company.

Revenue from the sale of goods

Revenues are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue recognized in excess of billing has been reflected under “Other financial assets” as unbilled revenue.

Revenue from execution of contracts for projects and services

Revenues are recognised on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under “Other current assets” and billing in excess of contract revenue has been reflected under “Other current liabilities” in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.

Revenue from sale of services

Revenue from services rendered over a period of time, such as annual maintenance contracts, are recognised on straight line basis over the period of the performance obligation.

Income from development services

Revenue from the development services is recognised as per the contract terms and when accrued. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Commission income

Commission income is recognized as per contract terms and when accrued.

Export benefits

Export incentives receivable are accrued for, when the right to receive the credit is established and there is no significant uncertainty regarding the realisability of the incentive.

Other income

Interest income is recognised on time proportion basis.

Fair value gain on financial instruments is recognized using the effective interest method.

2.7 Income tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss.

2.7.1 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

The Company offsets tax assets and tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.7.2 Deferred tax

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.8 Property, plant and equipment

Recognition and measurement

Freehold Land is carried at historical cost, all other item of property, plant and equipment is measured at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The Company identifies and determines cost of each component/ part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress is stated at cost less accumulated impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Depreciation

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. Leasehold assets are depreciated lower of lease period or life of the assets. The estimated useful lives of assets are as follows:

Useful lives estimated by the management in years:

Particulars	**Years**
Factory buildings	15-30
Other buildings	3-60
Furniture and fixtures	10
Office equipments	3-5
Plant and equipment	3-21
Vehicles	5

Depreciation methods, useful lives and residual values are reviewed periodically, at each reporting date. Further, freehold land are carried at historical cost and is not depreciated.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Amortisation

Amortisation is recognised in the statement of profit and loss on a straight line basis over the estimated useful lives of the intangible assets.

The estimated useful life of assets are as follows:

Particulars	**Years**
Technical know-how fees	6-10
Capitalized software costs	3-5

Goodwill on business acquisition is not amortized but tested for impairment.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed at each financial year end to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

De-recognition

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

2.10 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.18 (b) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.12 Inventories

Inventories consist of raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares. Inventories are measured at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

The cost of various categories of inventories is arrived at as follows:

Stores, spares, raw materials, components and stock-in-trade - at rates determined on the moving weighted average method.

Goods in Transit – at actual cost.

Work-in-progress and finished goods - at full absorption cost method which includes direct materials, direct labour and manufacturing overheads. Cost is determined on weighted average method.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Provision for obsolescence is made wherever necessary.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.13.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

2.13.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business where the objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business where the objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(v) Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

A financial liability is primarily derecognised when:

- The obligation under the liability is discharged or cancelled or expires, or
- The existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts including commodity contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and fluctuation in commodity prices. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss.
This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income / expenses. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Certain commercial contracts may grant rights to the Company or the counterparties, or contain other provisions that are considered to be derivatives. Such embedded derivatives are assessed at inception of the contract and depending on their characteristics, accounted for as separate derivative instruments and shown at their fair value in the balance sheet with changes in their fair value recognized through profit or loss.

2.14 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value.

2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16 Finance costs

Borrowing costs are recognised in the statement of profit and loss using the effective interest method. The associated cash flows are classified as financing activities in the statement of cash flows.

2.17 Provisions, contingent liabilities and contingent assets

General

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reliably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. Also, refer note 22.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are not recognised or disclosed in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet.

2.18 Impairment

a. **Financial assets**

Financial assets (other than at fair value) The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 (‘Financial Instruments’) requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company provides for impairment upon the occurrence of the triggering event.

b. **Non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in case of goodwill is not reversed. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.19 Earnings per share

The Company presents basic and diluted Earnings per share for its ordinary shares. Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year/period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.20 Retirement and other employee benefits

2.20.1 Gratuity - defined benefit plans

The present value of the obligation under defined benefit plans are determined based on actuarial valuation using the Projected Unit Credit Method. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Remeasurement comprising of actuarial gains and losses is recognized in other comprehensive income (OCI) and is reflected in reserves and surplus as part of equity and is not eligible to be reclassified to profit or loss.

The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service cost including current service cost, past service cost and gains and losses on curtailments and settlements; and
- Net interest expense or income.

2.20.2 Provident fund - Defined contribution scheme

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service.

2.20.3 Superannuation - Defined contribution scheme

Contribution to Superannuation Fund, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the statement of profit and loss during the period in which the employee renders the related services. There are no other obligations other than the contribution payable to the Superannuation Fund Trust. The corpus of which is invested with the Life Corporation of India.

2.20.4 Compensated absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company presents the entire accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at each balance sheet date.

2.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and cheque at hand/ remittance in transit and cash and deposit with bank.

2.22 Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.23 Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

2.24 Segment

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components (b) whose operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

The Company is engaged in the business relating to products, projects and services for electricity transmission and related activities. These activities of the Company are reviewed regularly by the chief operating decision maker from an overall business perspective, rather than reviewing its products/services as individual standalone components and therefore subject to the same risk and reward and accordingly falls within single business segment.

2.25 Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase/ decrease in profit/ loss for the year/period.

2.26 New and amended standards (Ind AS)

The following amended standards as considered applicable were effective during the year, however, these amendments had no impact on the financial statements of the Company

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

(ii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

(iii) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

(iv) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

2.27 Conceptual framework

The Ministry of Corporate Affairs ("MCA") has notified the Amendments to Schedule III of the Companies Act, 2013 vide notification dated March 24, 2021, applicable for annual reporting periods beginning on or after the April 1, 2021. Accordingly, the same is applicable for the Company in the current financial year beginning from April 1, 2022. (refer note 2.1 D)

2.28 Recent Indian Accounting Standards (Ind AS)

MCA has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the financial statements of the Company.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Company is currently assessing the impact of the amendments.

3. Property, plant and equipment and Right-of-use (ROU) assets

All amount in Indian Rupees in Crores, except as stated otherwise

	Property, plant and equipment (Owned Assets)									ROU Assets			
	Freehold land	Leasehold improvements	Factory buildings	Other buildings	Plant and equipment	Office equipment's	Furniture and fixtures	Vehicles	Total Owned Assets	Leasehold land	Office buildings	Vehicles	Total ROU Assets
Gross carrying value													
As at January 1, 2021	**13.71**	**12.53**	**136.73**	**34.52**	**597.75**	**9.26**	**15.23**	**0.05**	**819.78**	**9.53**	**35.88**	**12.68**	**58.09**
Additions	-	3.48	0.20	20.36	39.75	5.90	7.49	0.53	**77.71**	-	40.50	5.35	**45.85**
Reclassification	-	-	(0.07)	(0.17)	0.02	-	0.22	-	**-**	-	-	-	**-**
Reimbursement of capital expenditure (refer note (iii) below)	-	(6.25)	-	(6.03)	(4.86)	(4.94)	(4.33)	-	**(26.41)**	-	-	-	**-**
Disposals	-	(0.08)	(1.18)	(0.62)	(8.78)	(0.42)	(0.91)	-	**(11.99)**	-	(4.83)	(3.50)	**(8.33)**
As at March 31, 2022	**13.71**	**9.68**	**135.68**	**48.06**	**623.88**	**9.80**	**17.70**	**0.58**	**859.09**	**9.53**	**71.55**	**14.53**	**95.61**
Additions	-	9.92	7.28	7.30	129.54	2.43	5.24	0.34	**162.05**	-	2.76	5.80	**8.56**
Reimbursement of capital expenditure (refer note (iii) below)	-	(2.58)	(1.50)	(15.28)	(4.16)	(2.13)	(2.85)	-	**(28.50)**	-	-	-	**-**
Disposals	-	-	(0.17)	-	(9.74)	(0.28)	(0.26)	-	**(10.45)**	-	(3.31)	(2.82)	**(6.13)**
As at March 31, 2023	**13.71**	**17.02**	**141.29**	**40.08**	**739.52**	**9.82**	**19.83**	**0.92**	**982.19**	**9.53**	**71.00**	**17.51**	**98.04**
Accumulated depreciation													
As at January 1, 2021	**-**	**1.10**	**12.91**	**7.07**	**216.31**	**3.53**	**4.30**	**0.02**	**245.24**	**0.88**	**7.02**	**3.66**	**11.56**
Depreciation charge for the period	-	5.40	7.87	3.34	59.50	3.07	2.77	0.11	**82.06**	0.13	12.25	4.42	**16.80**
Reimbursement of capital expenditure (refer note (iii) below)	-	(2.81)	-	(0.13)	(0.49)	(1.44)	(0.52)	-	**(5.39)**	-	-	-	**-**
Reclassification	-	-	(0.02)	(0.16)	0.02	-	0.16	-	**-**	-	-	-	**-**
Disposals	-	(0.08)	(0.55)	(0.48)	(7.61)	(0.42)	(0.89)	-	**(10.03)**	-	(2.57)	(2.13)	**(4.70)**
As at March 31, 2022	**-**	**3.61**	**20.21**	**9.64**	**267.73**	**4.74**	**5.82**	**0.13**	**311.88**	**1.01**	**16.70**	**5.95**	**23.66**
Depreciation charge for the year	-	2.60	6.47	1.87	50.75	1.77	2.14	0.15	**65.75**	0.09	11.72	4.28	**16.09**
Reimbursement of capital expenditure (refer note (iii) below)	-	(0.77)	(0.04)	(0.41)	(0.33)	(0.40)	(0.30)	-	**(2.25)**	-	-	-	**-**
Disposals	-	-	(0.13)	-	(9.28)	(0.28)	(0.25)	-	**(9.94)**	-	(3.00)	(2.41)	**(5.41)**
As at March 31, 2023	**-**	**5.44**	**26.51**	**11.10**	**308.87**	**5.83**	**7.41**	**0.28**	**365.44**	**1.10**	**25.42**	**7.82**	**34.34**
Net carrying value as at March 31, 2022	**13.71**	**6.07**	**115.47**	**38.42**	**356.15**	**5.06**	**11.88**	**0.45**	**547.21**	**8.52**	**54.85**	**8.58**	**71.95**
Net carrying value as at March 31, 2023	**13.71**	**11.58**	**114.78**	**28.98**	**430.65**	**3.99**	**12.42**	**0.64**	**616.75**	**8.43**	**45.58**	**9.69**	**63.70**

Notes:

i) There are no property, plant and equipment given on operating lease.

ii) Pursuant to the Scheme of arrangement, as detailed in note 16(g), freehold land, leasehold land, factory buildings and other buildings has been transferred to the Company from ABB India Limited. Out of such assets, as at March 31, 2023, the Company is in process of getting the registered name transferred to the Company for gross block (deemed cost) amounting to ₹ 170.50 Crores and net carrying value amounting to ₹ 138.49 Crores . Furthermore, the title deeds of aforementioned properties are not in the name of a promoter.

iii) Reimbursement of capital expenditure: During the period ended March 31, 2022, Hitachi Energy Ltd (formerly known as Hitachi ABB Power Grids Ltd) entered into an agreement with the Company towards reimbursement of ₹ 26.41 crore pertaining to capital expenditure incurred by the Company post separation of Power Grids business as such cost was not to be incurred by the Company, pursuant to global arrangement with ABB Ltd, Switzerland ('ABB') and Hitachi Ltd, Japan ('Hitachi') (being the shareholders of Hitachi Energy Ltd). Accordingly, the reimbursement of ₹ 26.41 Crore receivable had been reduced from the gross block of property, plant and equipment with a consequent impact on accumulated depreciation as on March 31, 2022 amounting to ₹ 5.39 crore which had been adjusted against the depreciation in the financial statements for the period ended March 31, 2022. In furtherance to above, during the year ended March 31, 2023, the Company has further entered into an agreement for additional reimbursement of ₹ 28.50 crore and the same has been reduced from the gross block of property, plant and equipment with a consequent impact on accumulated depreciation as on March 31, 2023 amounting to ₹ 2.25 crore which has been adjusted against the depreciation in the financial statements for the year ended March 31, 2023. Also refer note 40.

4. Capital work-in-progress

All amount in Indian Rupees in Crores, except as stated otherwise

	Amount
Gross carrying value	
As at January 1, 2021	**32.36**
Additions	163.68
Capitalised during the period	(77.71)
As at March 31, 2022	**118.33**
Additions	92.39
Capitalised during the year	(162.05)
As at March 31, 2023	**48.67**

Capital work-in-progress ageing schedule

As at March 31, 2023

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress*	34.99	6.29	2.81	4.58	48.67
Projects temporarily suspended	-	-	-	-	-
	34.99	**6.29**	**2.81**	**4.58**	**48.67**

* Projects in progress aged more than 2 years includes certain assets transferred to the Company, pursuant to the scheme of arrangement, as detailed in note 16(g), are yet to be capitalised on account of pending approval from regulatory authorities. Further, there is no cost over run in this regard.

As at March 31, 2022

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress**	104.65	8.85	4.83	-	118.33
Projects temporarily suspended	-	-	-	-	-
	104.65	**8.85**	**4.83**	**-**	**118.33**

** Projects in progress aged more than 1 year includes certain assets transferred to the Company, pursuant to the scheme of arrangement, as detailed in note 16(g), are yet to be capitalised on account of pending approval from regulatory authorities. Further, there is no cost over run in this regard.

5. Goodwill and other intangible assets

All amount in Indian Rupees in Crores, except as stated otherwise

	Goodwill	Other intangible assets		
		Technical Know-how fees	Capitalised Software	Total
Gross carrying value				
As at January 1, 2021	**31.80**	**33.36**	**3.45**	**36.81**
Additions	-	-	0.61	0.61
Disposals	-	-	-	-
As at March 31, 2022	**31.80**	**33.36**	**4.06**	**37.42**
Additions	-	-	0.07	0.07
Disposals	-	-	(0.17)	(0.17)
As at March 31, 2023	**31.80**	**33.36**	**3.96**	**37.32**
Accumulated amortisation/ impairment				
As at January 1, 2021	**-**	**32.03**	**1.82**	**33.85**
Amortisation charge for the period	-	1.33	0.66	1.99
Disposals	-	-	-	-
As at March 31, 2022	**-**	**33.36**	**2.48**	**35.84**
Amortisation charge for the year	-	-	0.57	0.57
Disposals	-	-	(0.17)	(0.17)
As at March 31, 2023	**-**	**33.36**	**2.88**	**36.24**
Net carrying value as at March 31, 2022	**31.80**	**-**	**1.58**	**1.58**
Net carrying value as at March 31, 2023	**31.80**	**-**	**1.08**	**1.08**

Goodwill impairment testing

The carrying amount of goodwill as at March 31, 2023 and March 31, 2022 has been attributed to power grids business as a cash generating unit ('CGU') . The Company tests whether goodwill has suffered any impairment on an annual basis or in case of any indicator. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use pre-tax cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used as at March 31, 2023 and March 31, 2022 is mentioned below.

Growth rate	5% - 6%
Operating margins	3% - 7%
Discount rate	7% - 7.5%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of operations and cash flows.

Based on the above assessment, there has been no impairment of goodwill.

6. Loans

(Unsecured considered good, unless otherwise stated)

All amount in Indian Rupees in Crores, except as stated otherwise

	Non-current		Current	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Loans to employees	3.49	2.18	2.19	3.24
	3.49	**2.18**	**2.19**	**3.24**

7. Other financial assets

(Unsecured considered good, unless otherwise stated)

All amount in Indian Rupees in Crores, except as stated otherwise

	Non-current		Current	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Security deposits (refer note 40)	13.59	13.63	3.83	4.11
Security deposits which have significant increase in credit risk	-	-	0.31	0.31
Less: Impairment allowance on security deposits which have significant increase in credit risk	-	-	0.31	0.31
	-	-	-	-
Deposits with customers	-	-	5.00	5.64
Deposits with customers which have significant increase in credit risk	-	-	2.22	2.39
Less: Impairment allowance on deposits with customers which have significant increase in credit risk	-	-	2.22	2.39
	-	-	-	-
Other receivables (refer note 40)	-	-	15.03	32.73
Other receivables which have significant increase in credit risk	-	-	1.61	0.83
Less: impairment allowance on Other receivables which have significant increase in credit risk	-	-	1.61	0.83
	-	-	-	-
Mark to market gain on forward contracts*	-	-	1.74	7.56
Mark to market gain on embedded derivatives*	-	-	8.87	3.06
	13.59	**13.63**	**34.47**	**53.10**

* Mark to market gain is identified and accounted based on the underlying contracts. The derivatives are recognised at fair value through statement of profit and loss.

8. Non-current tax asset (net)

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Advance income-tax (net of provision for current tax)	33.80	15.06
	33.80	**15.06**

9. Income tax

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
The major components of income tax expense for the year/period:		
Statement of profit and loss:		
Current tax	35.94	87.83
Adjustment of tax relating to earlier periods	(1.39)	-
Deferred tax charge/ (credit)	2.37	(14.64)
Income tax expense reported in the statement of profit and loss	**36.92**	**73.19**
Other comprehensive income ('OCI')		
Deferred tax related to items recognised in OCI during the year/period:	(0.59)	(1.66)
Income tax (expense)/ credit to OCI	**(0.59)**	**(1.66)**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Accounting profit before income tax	**130.82**	**276.59**
At India's statutory tax rate of 25.17% for the year ended March 31, 2023 and period ended March 31, 2022	32.93	69.62
Adjustments in respect of current income tax:		
Non-deductible expenses for tax purposes	1.84	3.57
Foreign tax credit ineligible	1.68	-
Adjustment of tax relating to earlier periods (including impact of deferred tax)	0.47	-
Income tax expense at effective tax rate of 28.22% (March 31, 2022 : 26.46%)	**36.92**	**73.19**

Deferred tax assets/ (liabilities) relates to the following:	**March 31, 2023**	**March 31, 2022**
Property, plant and equipment and Intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(58.08)	(59.93)
Provision for doubtful debts and advances	56.86	56.68
Demerger related expenses	9.09	9.46
Expenditure debited to the statement of profit and loss but allowable for tax purpose in subsequent years	24.00	28.62
Net deferred tax assets/ (liabilities)	**31.87**	**34.83**
Deferred tax assets	89.95	94.76
Deferred tax liabilities	(58.08)	(59.93)
Deferred tax assets/ (liabilities), net	**31.87**	**34.83**

Reconciliation of deferred tax assets/ (liabilities) (net)	**March 31, 2023**	**March 31, 2022**
Opening balance as at the commencement of the year/period	34.83	21.85
Tax income/ (expense) during the year/period recognised in profit or loss	(2.37)	14.64
Tax income/ (expense) during the year/period recognised in OCI	(0.59)	(1.66)
Tax income/ (expense) during the year/period recognised in retained earnings	**(2.96)**	**12.98**
Closing balance	**31.87**	**34.83**

10. Other non-current assets

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
(Unsecured considered good, unless otherwise stated)		
Capital advances	1.90	6.04
	1.90	**6.04**

11. **Inventories** (valued at lower of cost and net realisable value)

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Raw materials and components (includes goods in transit of ₹ 32.34 Crores (March 31, 2022: ₹ 40.72 Crores))	369.66	355.57
Work-in-progress	332.22	288.34
Finished goods	113.07	59.26
Stock-in-trade	0.54	2.34
Stores and spares	2.41	1.74
	817.90	**707.25**

In relation to inventories being carried at net realisable value (Rs 5.91) crore and ₹ 30.65 crore has been recorded as (reversal) / expense for the year ended March 31, 2023 and March 31, 2022 respectively.

12. Trade receivables

All amount in Indian Rupees in Crores, except as stated otherwise

	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Unsecured				
Considered good	-	-	1,527.77	1,418.70
Trade receivables which have significant increase in credit risk	-	-	146.41	132.35
Trade receivables - credit impaired	65.98	80.20	-	-
	65.98	**80.20**	**1,674.18**	**1,551.05**
Less: Impairment allowance (allowance for bad and doubtful debts)				
Trade receivables which have significant increase in credit risk	-	-	146.41	132.35
Trade receivables - credit impaired	65.98	80.20	-	-
	-	**-**	**1,527.77**	**1,418.70**

1. Trade receivables from related parties (refer note 40).
2. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
3. Trade receivables are non-interest bearing.
4. Trade receivables is inclusive of the retention receivables.
5. Refer note 33(C)(iv) for details pertaining to credit risk.
6. Refer note 38(b) for details pertaining to contract balances.

Trade receivables ageing Schedule

As at March 31, 2023

			Outstanding for following periods from due date of payment					
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	95.64	1,120.59	247.36	34.18	25.86	-	-	1,523.63
Undisputed Trade Receivables – which have significant increase in credit risk	0.36	1.89	3.06	3.56	13.97	30.30	41.10	94.24
Undisputed Trade Receivables – credit impaired	-	0.02	3.14	4.50	37.86	4.47	3.32	53.31
Disputed Trade Receivables – considered good	-	-	-	-	4.14	-	-	4.14
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	1.95	-	50.22	52.17
Disputed Trade Receivables – credit impaired	-	-	-	-	1.17	0.02	11.48	12.67
	96.00	**1,122.50**	**253.56**	**42.24**	**84.95**	**34.79**	**106.12**	**1,740.16**
Less: Impairment allowance								212.39
Total trade receivables								**1,527.77**

Trade receivables ageing Schedule

As at March 31, 2022

	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	74.89	1,023.09	276.74	28.05	9.05	-	-	1,411.82
Undisputed Trade Receivables – which have significant increase in credit risk	0.13	1.71	3.79	3.62	25.31	9.40	30.20	74.16
Undisputed Trade Receivables – credit impaired	-	1.99	10.25	27.17	27.00	-	-	66.41
Disputed Trade Receivables – considered good	-	-	1.15	5.37	-	-	0.36	6.88
Disputed Trade Receivables – which have significant increase in credit risk	-	-	0.08	0.72	0.02	23.87	33.50	58.19
Disputed Trade Receivables – credit impaired	-	-	-	-	0.02	3.06	10.71	13.79
	75.02	**1,026.79**	**292.01**	**64.93**	**61.40**	**36.33**	**74.77**	**1,631.25**
Less: Impairment allowance								212.55
Total trade receivables								**1,418.70**

13. Cash and cash equivalents

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Balances with banks		
- on current accounts	146.53	70.64
Cheques on hand/ remittance in transit	16.66	15.26
Cash and cash equivalents in the balance sheet and statement of cash flows	**163.19**	**85.90**

Changes in liabilities arising from financing activities:

	Lease liabilities		Borrowings	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Balance as at the beginning of the year/period	65.00	39.07	125.00	-
Cash inflows/ (outflows)	(17.84)	(18.79)	150.00	125.00
Non-cash changes				
-Additions	8.51	44.35	-	-
-Accretion of interest	4.24	4.20	-	-
-Deletions	(0.60)	(3.83)	-	-
Balance as at the end of the year/period	**59.31**	**65.00**	**275.00**	**125.00**

14. Bank balances other than cash and cash equivalent

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Unpaid dividend account	0.10	0.04
	0.10	**0.04**

15. Other current assets

(Unsecured considered good, unless otherwise stated)

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Prepaid expenses	33.09	20.16
Contract assets (refer note 38(b) and note 40)	177.32	95.25
Contract assets which have significant increase in credit risk	9.27	8.85
Less: impairment allowance on contract assets which have significant increase in credit risk	9.27	8.85
	-	-
Advances other than capital advances (refer note 40)	54.42	48.21
Advances other than capital advances which have significant increase in credit risk	0.12	0.12
Less: impairment allowance on advances other than capital advances which have significant increase in credit risk	0.12	0.12
	-	-
Balance with government authorities	261.41	249.42
	526.24	**413.04**

16. Equity

Share capital

All amount in Indian Rupees in Crores, except as stated otherwise

		Equity shares	
		Number of shares	Amount
a.	**Authorised share capital**		
	At January 01, 2021	5,00,00,000	10.00
	Changes during the period	-	-
	At March 31, 2022	**5,00,00,000**	**10.00**
	Changes during the year	-	-
	At March 31, 2023	**5,00,00,000**	**10.00**

b.	**Issued equity share capital**		
	Equity shares of ₹ 2 each issued, subscribed and fully paid up	**Number of shares**	**Amount**
	At January 01, 2021	4,23,81,675	8.48
	Changes during the period	-	-
	At March 31, 2022	**4,23,81,675**	**8.48**
	Changes during the year	-	-
	At March 31, 2023	**4,23,81,675**	**8.48**

c. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of directors have recommended dividend of ₹ 3.40 per equity share, which translates to a total dividend of ₹ 14.41 Crores, for the year ended March 31, 2023. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of shareholders holding more than 5% of the shares in the Company

	March 31, 2023		March 31, 2022	
Name of the shareholders	**Number of shares**	**% of holding**	**Number of shares**	**% of holding**
Equity shares of ₹ 2 each, fully paid up				
Hitachi Energy Ltd - the holding company	3,17,86,256	75%	3,17,86,256	75.00%

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shares held by holding/ ultimate holding Company and/ or their subsidiaries/ associates

Out of the equity shares issued by the Company, shares held by its holding company, ultimate holding Company and their subsidiaries/ associates are as below:

	March 31, 2023		March 31, 2022	
Name of the shareholders	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Equity shares of ₹ 2 each, fully paid up				
Hitachi Energy Ltd - the holding company	3,17,86,256	6.36	3,17,86,256	6.36
	3,17,86,256	**6.36**	**3,17,86,256**	**6.36**

f. Shares held by promoters *

As at March 31, 2023

Name of the promoters	No. of shares at the beginning of the year	Changes during the year	No. of shares at the end of the year	% of total Shares	% change during the year
Equity shares of ₹ 2 each, fully paid up					
Hitachi Energy Ltd - the holding company	3,17,86,256	-	3,17,86,256	75.00%	-

As at March 31, 2022

Name of the promoters	No. of shares at the beginning of the period	Changes during the period	No. of shares at the end of the period	% of total Shares	% change during the period
Equity shares of ₹ 2 each, fully paid up					
Hitachi Energy Ltd - the holding company	-	3,17,86,256	3,17,86,256	75.00%	100.00%
ABB Asea Brown Boveri Limited - the holding company	3,17,86,256	(3,17,86,256)	-	0.00%	(100.00%)
ABB Switzerland Limited	179	(179)	-	0.00%	(100.00%)

g. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Board of directors of ABB India Limited on March 5, 2019 approved the Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ('the Scheme') between ABB India Limited ('transferor Company'), ABB Power Products and Systems India Limited ("'Resulting Company' or, 'APPSIL'") and their respective shareholders and creditors for the demerger of Power Grid business from ABB India Limited into the Company. The appointment date for the Scheme was April 01, 2019. The Scheme was approved by National Company Law Tribunal (NCLT), Bengaluru Bench vide its order dated. November 27, 2019 and a certified copy has been filed by the Company with the Registrar of Companies, Bengaluru, on December 1, 2019 (effective date). Pursuant to the aforesaid Scheme, on December 24, 2019 , the Company issued 42,381,675 number of fully paid equity shares having face value of ₹ 2 each to the existing equity shareholders of ABB India Limited in the proportion of 1 share for every 5 shares held. Further, 50,000 number of shares issued to the ABB India Limited at the time of incorporation of the Company was cancelled as per the aforesaid Scheme.

17. Other equity

All amount in Indian Rupees in Crores, except as stated otherwise

		March 31, 2023	March 31, 2022
a)	**Securities premium**		
	Opening balance	9.80	9.80
	Changes during the year/period	-	-
	Closing balance	**9.80**	**9.80**
b)	**Retained earnings**		
	Opening balance	608.39	408.52
	Changes during the year/period:		
	Net profit for the year/period	93.90	203.40
	Other comprehensive income (net of tax)	1.74	4.95
	Less: Appropriations during the year/period: Equity dividend	(12.72)	(8.48)
	Closing balance	**691.31**	**608.39**
c)	**Amalgamation adjustment deficit account**		
	Opening balance	(1.56)	(1.56)
	Changes during the year/period	-	-
	Closing balance	**(1.56)**	**(1.56)**
d)	**Capital reserve**		
	Opening balance	0.18	0.18
	Changes during the year/period	-	-
	Closing balance	**0.18**	**0.18**
e)	**General reserve**		
	Opening balance	507.10	507.10
	Changes during the year/period	-	-
	Closing balance	**507.10**	**507.10**
	Total other equity	**1,206.83**	**1,123.91**

Nature and purpose of other reserves

a) Securities premium

Securities premium acquired pursuant to scheme of arrangement shall be utilised in accordance with the provisions of Companies Act, 2013.

b) Retained earnings

Retained earnings are the profits of the Company earned till date net of appropriations/distributions, includes amount acquired pursuant to scheme of arrangement and other adjustments permitted as per the applicable regulations and accounting standards.

c) Amalgamation adjustment deficit account

Amalgamation adjustment deficit account is the deficit between the carrying value of assets, liabilities and reserves transferred to the Company and the consideration discharged by way of the New Equity Shares issued to the shareholders of ABB India Limited pursuant to the demerger of Power Grid Business from ABB India Limited (refer note 16(g)).

d) Capital reserve

Capital reserve is acquired pursuant to scheme of arrangement.

e) General reserve

General reserve is acquired pursuant to scheme of arrangement. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be subsequently reclassified to statement of profit and loss.

18. Other financial liabilities

All amount in Indian Rupees in Crores, except as stated otherwise

	Non-Current		Current	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Security deposits received	0.89	1.09	-	-
Unpaid dividend	-	-	0.10	0.04
Payable towards purchase of fixed assets (refer note 40)	-	-	24.72	3.32
Employee related payables	1.31	2.08	52.40	39.63
Interest accrued but not due	-	-	0.05	0.01
Mark to market loss on forward contracts*	-	-	3.36	4.35
Mark to market loss on embedded derivatives*	-	-	6.38	5.50
Other payables (refer note 40)	-	-	36.07	41.64
	2.20	**3.17**	**123.08**	**94.49**

* Mark to market loss is identified and accounted based on the underlying contracts. The derivatives are recognised at fair value through statement of profit and loss.

19. Borrowings

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	**March 31, 2022**
Bank loan (Unsecured)	275.00	125.00
	275.00	**125.00**

The rate of interest for short term loans from banks ranges from 7.13% to 7.91% (March 31, 2022 - 4.05%). Refer note 33(C) (iii) for details pertaining to interest rates and related risk.

20. Trade payables

All amount in Indian Rupees in Crores, except as stated otherwise

		March 31, 2023	March 31, 2022
Total outstanding dues of micro enterprises and small enterprises*		76.22	84.02
		76.22	**84.02**
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Acceptances		515.84	487.66
Other trade payables		922.56	1,047.32
		1,438.40	**1,534.98**
		1,514.62	**1,619.00**
	1) Trade payables to related parties (refer note 40).		
	2) Refer note 33(C)(v) for details pertaining to liquidity risk.		
	*The Company has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2023 and as at March 31, 2022.		
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier at each accounting year/period		
	Principal amount	74.90	80.35
	Interest	0.55	0.19
(ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for each accounting year/period		
	Principal amount	-	-
	Interest	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year/period).	0.57	0.64
(iv)	The amount of interest accrued and remaining unpaid for each accounting year/period	1.12	0.83
(v)	The amount of further interest remaining due and payable for the earlier years	0.20	2.84
(vi)	The amount (including interest) due as at each accounting year/period	**76.22**	**84.02**

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

As at March 31, 2023, foreign currency trade payables amounting to ₹ 60.61 Crores (includes ₹ 13.64 Crores which are payable from more than 3 years), towards purchase of goods and services, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services issued by Reserve Bank of India ('the RBI'), which states that payments against imports of goods are required to be made within 6 months from date of shipment. Considering that the balances are outstanding for more than the stipulated time, the Company is in the process of intimating the appropriate regulatory authorities and seeking requisite approvals for extensions. The management is confident that required approvals would be received and penalties, if any that may be imposed on the Company would not be material. Accordingly, no adjustments have been made by the management to these financial statements in this regard.

Trade payables Ageing Schedule

As at March 31, 2023			Outstanding for following periods from due date of payment				
	Unbilled	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	16.12	54.38	5.17	-	0.14	0.35	76.16
Total outstanding dues of creditors other than micro enterprises and small enterprises	344.82	846.11	197.42	4.67	23.24	20.30	1,436.56
Disputed dues of micro enterprises and small enterprises	-	0.06	-	-	-	-	0.06
Disputed dues of creditors other than micro enterprises and small enterprises	-	0.92	-	-	-	0.92	1.84
	360.94	**901.47**	**202.59**	**4.67**	**23.38**	**21.57**	**1514.62**

As at March 31, 2022			Outstanding for following periods from due date of payment				
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	72.80	7.52	1.05	2.37	0.22	83.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	300.94	948.07	171.86	82.62	17.31	12.51	1,533.31
Disputed dues of micro enterprises and small enterprises	-	0.06	-	-	-	-	0.06
Disputed dues of creditors other than micro enterprises and small enterprises	-	1.67	-	-	-	-	1.67
	300.94	**1,022.60**	**179.38**	**83.67**	**19.68**	**12.73**	**1,619.00**

21. Other current liabilities

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Billing in excess of contract revenue (refer note 38(b))	41.80	89.51
Statutory dues payable*	23.26	14.23
Advance from customer (refer note 38(b) and note 40)	468.73	193.51
	533.79	**297.25**

* Statutory dues payable mainly includes contribution to Provident Fund, Goods and service tax (GST), Employee State Insurance, withholding taxes etc.

22. Provisions

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Provisions for employee benefits		
Gratuity (refer note 32)	8.34	5.24
Compensated absences	27.92	24.09
Other provisions		
Warranties	139.81	129.05
Loss orders	19.13	15.92
	195.20	**174.30**

Nature of provisions:

i) **Warranties:** The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision represents the amount of the expected cost based on technical evaluation and past experience of meeting such obligations. It is expected that this expenditure will be incurred over the contractual warranty period.

ii) **Loss orders:** A provision for expected loss on construction contracts is recognised when it is probable that the contract costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

Details of changes in provisions during the year (Figures in brackets are in respect of the previous period)

Class of provisions	As at April 01, 2022	Additions	Amounts used	Unused Amounts reversed	As at March 31, 2023
Warranties	129.05	35.95	11.47	13.72	139.81
	(106.56)	(47.62)	(11.60)	(13.53)	(129.05)
Loss orders	15.92	16.54	12.89	0.44	19.13
	(33.23)	(12.15)	(28.99)	(0.47)	(15.92)

23. Revenue from operations

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Revenue from contracts with customers		
Sale of products	3,528.74	3,402.27
Revenue from execution of contracts for projects and services	711.51	1,226.20
Sale of services	94.25	132.20
	4,334.50	**4,760.67**
Other operating revenues		
Scrap sales	28.13	37.14
Commission income	16.38	8.90
Income from development services and other services	89.25	75.61
Others	0.25	1.64
	134.01	**123.29**
Revenue from operations*	**4,468.51**	**4,883.96**

* Also refer note 37, 38 and 40

24. Other income

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Liabilities/ provisions no longer required written back (refer note 40)	14.55	41.49
Exchange and commodity rate difference (net)	-	24.51
Interest income:		
Interest on security deposit and others	0.57	0.94
Others	0.02	-
	15.14	**66.94**

25. Cost of raw materials, components consumed and project bought outs

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Inventory at the beginning of the year/period	355.57	270.45
Add : Purchases during the year/period (refer note 40)	2,735.33	2,865.21
Less : Inventory at the end of the year/period	369.66	355.57
	2,721.24	**2,780.09**

26. (Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Opening stock		
- Finished goods	59.26	10.72
- Work-in-progress	288.34	211.79
- Stock-in-trade	2.34	0.28
	349.94	**222.79**

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Closing stock		
- Finished goods	113.07	59.26
- Work-in-progress	332.22	288.34
- Stock-in-trade	0.54	2.34
	445.83	**349.94**
	(95.89)	**(127.15)**

27. Employee benefits expense

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Salaries, wages and bonus	365.90	426.27
Gratuity expense (refer note 32)	6.42	8.48
Contribution to provident fund	12.85	14.69
Contribution to superannuation fund	6.76	8.21
Contribution to other funds*	4.22	5.19
Staff welfare expenses	19.04	21.41
Training, recruitment and transfer expenses	2.10	2.50
	417.29	**486.75**

* Includes contribution to Employee Pension Scheme, Labour Welfare Fund and Employee State Insurance.

28. Depreciation and amortisation expense

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3)	63.50	76.67
Amortisation of intangible assets (refer note 5)	0.57	1.99
Depreciation of right-of-use assets (refer note 3)	16.09	16.80
	80.16	**95.46**

29. Finance costs

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Interest expenses	34.27	31.51
Interest on income tax	0.78	3.16
Bill discounting and other charges	0.80	2.52
Interest on lease liabilities (refer note 36(b))	4.24	4.20
	40.09	**41.39**

30. Other expenses*

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Consumption of stores and spares	34.07	38.98
Packing expenses	15.65	18.55
Royalty and technology fees	147.35	199.73
Freight and forwarding	163.80	129.40
Postage and telephone	1.30	1.48
Commission (other than sole selling agent)	3.35	3.87
Power and fuel	65.40	73.37
Travelling and conveyance	50.34	40.80
Insurance	20.43	28.05
Rates and taxes (net)	6.54	9.64
Rent (refer note 36(b))	3.68	6.54
Repairs and maintenance		
Buildings	2.13	3.25
Plant and machinery	29.09	29.55
Others	6.73	6.30
Provision for doubtful debts and advances/ bad debts/ advances written off	14.49	26.03
Loss on sale of fixed assets (net)	0.47	1.42
Printing and stationery	1.59	1.46
Bank charges	14.05	11.40
Legal and professional fees**	56.79	56.23
Corporate social responsibility expenditure (refer note 41)	4.25	3.58
Information technology expenses	94.55	133.08
Exchange and commodity rate difference (net)	27.09	-
Director's fees and commission	1.45	1.29
Services from third parties	53.43	62.38
Testing and inspection charges	29.43	10.68
Seminar and publicity expenses	1.89	1.46
Group management fees	61.89	94.50
Miscellaneous	42.52	35.86
	953.75	**1,028.88**

* Also refer note 40.

**** Includes auditor's remuneration (exclusive of goods and service tax and inclusive of out-of-pocket expenses and Technology surcharge) towards the following:**

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Statutory audit fee	0.52	0.48
Tax audit fee	0.28	0.27
Limited review fee	0.39	0.36
Group audit fee	0.15	0.14
Other certification fee	0.15	-
Reimbursement of expenses	0.03	-
	1.52	**1.25**

31. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Earnings		
Profit attributable to equity shareholders	93.90	203.40
Shares		
Weighted average number of Equity shares outstanding during the year/period - basic	4,23,81,675	4,23,81,675
Dilutive effect on shares	-	-
Weighted average number of Equity shares outstanding during the year/period - diluted	4,23,81,675	4,23,81,675
Earnings per share of par value ₹ 2 each - Basic and diluted (in ₹)	**22.16**	**47.99**

32. Post-employment benefit plan

Gratuity plan :

Gratuity is payable to all eligible employees of the Company as per the provisions of the Payment of Gratuity Act, 1972 or as per the Company's scheme, whichever is higher. The plan assets were held by Asea Brown Boveri Ltd Employees Gratuity Fund on behalf of the Company. During the period ended March 31, 2022, the aforesaid funds has been transferred to the APPSIL Employees Gratuity Trust (The said trust was duly set up by Company on September 1, 2020 and the same was approved on February 22, 2021 by Hon'ble Commissioner of Income Tax).

Under the Payment of Gratuity Act, 1972, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity scheme provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit.

Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Gratuity		
The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:		
Gratuity provision	8.34	5.24
Total	**8.34**	**5.24**

i) Changes in the defined benefit obligation and fair value of plan assets :

All amount in Indian Rupees in Crores, except as stated otherwise

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
As at January 01, 2021	**84.42**	**71.26**	**13.16**
Service cost	7.85	-	7.85
Net interest expense	5.97	5.34	0.63
Total amount recognised in statement of profit and loss (Note 27)	**13.82**	**5.34**	**8.48**
Remeasurement (gains)/ losses in other comprehensive income:			
Return on plan assets (excluding amounts included in net interest expense)	-	2.68	(2.68)
Actuarial changes arising from changes in financial assumptions	(5.45)	-	(5.45)
Actuarial changes arising from changes in experience adjustments	1.52	-	1.52
Total amount recognised in other comprehensive income	**(3.93)**	**2.68**	**(6.61)**

All amount in Indian Rupees in Crores, except as stated otherwise

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Contributions by employer	-	-	-
Benefits paid	(9.79)	-	(9.79)
As at March 31, 2022	**84.52**	**79.28**	**5.24**
Service cost	6.10	-	6.10
Net interest expense	5.56	5.24	0.32
Total amount recognised in statement of profit and loss (Note 27)	**11.66**	**5.24**	**6.42**
Remeasurement (gains)/ losses in other comprehensive income:			
Return on plan assets (excluding amounts included in net interest expense)	-	0.14	(0.14)
Actuarial changes arising from changes in financial assumptions	(2.68)	-	(2.68)
Actuarial changes arising from changes in experience adjustments	0.49		0.49
Total amount recognised in other comprehensive income	**(2.19)**	**0.14**	**(2.33)**
Contributions by employer	-	-	-
Benefits paid	(5.37)	(4.38)	(0.99)
As at March 31, 2023	**88.62**	**80.28**	**8.34**

ii) Amount recognized in balance sheet

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Present value of funded obligations	88.62	84.52
Fair value of plan assets	80.28	79.28
Net funded obligation	**(8.34)**	**(5.24)**
Net defined benefit liability recognised in balance sheet	**(8.34)**	**(5.24)**

iii) Expense recognised in statement of profit and loss (refer note 27)

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Current service cost	6.10	7.85
Net interest expense	0.32	0.63
	6.42	**8.48**

iv) Remeasurements recognised in other comprehensive income

All amount in Indian Rupees in Crores, except as stated otherwise

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Actuarial (gain)/ loss on defined benefit obligation	(2.19)	(3.93)
Return on plan assets excluding interest income	(0.14)	(2.68)
	(2.33)	**(6.61)**

v) The major categories of plan assets of the fair value of the total plan assets are as follows:

Investments		
Scheme of insurance - Conventional products	100.00%	100.00%

vi) The principal assumptions used in determining gratuity obligations are shown below:

	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
Discount rate	7.20%	6.80%
Future salary increases	7.75%	7.75%
Employee turnover	Age 20-24 - 12%	Age 20-24 - 12%
	Age 25-34 - 9%	Age 25-34 - 9%
	Age 35-44 - 7%	Age 35-44 - 7%
	Age 45-54 - 4%	Age 45-54 - 4%
	Thereafter 2%	Thereafter 2%
Mortality rate	Mortality (2006-08) Ult.	Mortality (2006-08) Ult.

vii) The following payments are expected contributions to the defined benefit plan in future years

All amount in Indian Rupees in Crores, except as stated otherwise

Within the next 12 months (next annual reporting period)	8.34	5.24
Between 2 and 5 years	40.51	39.71
Beyond 5 years	59.94	55.16
Total expected payments	**108.79**	**100.11**

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (March 31, 2022: 8 years)

viii) A quantitative sensitivity analysis for significant assumption is as shown below:

All amount in Indian Rupees in Crores, except as stated otherwise

	As at March 31, 2023		As at March 31, 2022	
Assumptions	**Discount rate**	**Future salary increases**	**Discount rate**	**Future salary increases**
Sensitivity analysis				
1% increase	**(6.11)**	**6.89**	**(6.02)**	**6.78**
1% decrease	**6.99**	**(6.14)**	**6.91**	**(6.03)**

Impact on defined benefit obligation

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

33. Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liabilities and equity instrument are disclosed in the financial statements.

A. Fair value of financial assets and financial liabilities

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair value. The following tables presents the carrying value and fair value / amortised cost of each category of financial assets and liabilities:

All amount in Indian Rupees in Crores, except as stated otherwise

Particulars	Carrying and Fair Value / amortised cost	
	As at March 31, 2023	As at March 31, 2022
Financial assets at amortised cost :		
Loans (refer note 6)	5.68	5.42
Other financial assets (refer note 7)	37.45	56.11
Trade receivables (refer note 12)	1,527.77	1,418.70
Cash and cash equivalents (refer note 13)	163.19	85.90
Bank balances other than cash and cash equivalent (refer note 14)	0.10	0.04
Financial assets at fair value through profit and loss :		
Derivative instruments (refer note 7)	10.61	10.62
Total financial assets	**1,744.80**	**1,576.79**
Financial liabilities at amortised cost:		
Borrowings (refer note 19)	275.00	125.00
Trade payables (refer note 20)	1,514.62	1,619.00
Lease liabilities (refer note 36(b))	59.31	65.00
Other financial liabilities (refer note 18)	115.54	87.81
Financial liabilities at fair value through profit and loss :		
Derivative instruments (refer note 18)	9.74	9.85
Total financial liabilities	**1,974.21**	**1,906.66**

Valuation technique and significant unobservable inputs:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

i) The management assessed the trade receivables, trade payables, loans, cash and cash equivalents, borrowings, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(a) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(b) Lease liabilities are carried at discounted value using incremental borrowing rate.

(c) The Company enters into derivative financial instruments with banks/financial institutions. Foreign currency forward contracts are valued using valuation techniques which employs the use of market observable inputs using present value calculations. The model incorporates various inputs including the deal specific fundamental, market conditions, maturity period, transaction size, comparable trades, foreign currency spot and forward rates.

(d) Embedded foreign currency are measured similarly to the foreign currency forward contracts. The embedded derivatives are foreign currency forward contracts which are separated from long-term sales contracts and purchase contracts where the transaction currency differs from the functional currencies of the involved parties. These contracts require physical delivery and will be held for the purpose of the delivery of the commodity in accordance with the buyers' expected sale requirements. These contracts have embedded foreign exchange derivatives that are required to be separated.

B. Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

All amount in Indian Rupees in Crores, except as stated otherwise

Particulars	Amount	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss :				
Derivative instruments (refer note 7) - As at March 31, 2023	**10.61**	**-**	**10.61**	**-**
Derivative instruments (refer note 7) - As at March 31, 2022	10.62	-	10.62	-
Financial liabilities at fair value through profit and loss :				
Derivative instruments (refer note 18) - As at March 31, 2023	9.74	-	9.74	-
Derivative instruments (refer note 18) - As at March 31, 2022	9.85	-	9.85	-

There have been no transfers between Level 1, Level 2 and Level 3 for the year/period ended March 31, 2023 and March 31, 2022.

C. Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, foreign currency risk, liquidity risk and credit risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade payables, deposits, investments, trade receivables, other financial assets and derivative financial instruments.

Commodity contracts

The Company uses commodity future contracts to hedge risk against fluctuation in commodity prices. The following are outstanding future contracts entered into by the Company.

Year	Commodity	Number of contracts (Net buy)	Contractual quantity (Net buy)
As at March 31, 2023	Copper	5	17 MT
As at March 31, 2023	Aluminum	4	25 MT
As at March 31, 2022	Copper	30	584 MT
As at March 31, 2022	Aluminum	6	225 MT

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company's risk management policy is to hedge foreign currency exposures above certain thresholds.

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not Company's functional currency (₹).

a) **Unhedged foreign currency exposure**

The following table analyses the unhedged portion of foreign currency exposure:

All amount in Indian Rupees in Crores, except as stated otherwise

Particulars	USD	SEK	EUR	CHF	BTN	Others
Receivables						
As at March 31, 2023						
Foreign Currency (In Crores)	1.51	0.94	0.11	0.27	21.52	39.22
Indian rupees (In Crores)	123.75	7.42	9.40	24.30	21.52	22.11
Impact on profit and loss:						
1% increase	1.24	0.07	0.09	0.24	0.22	0.22
1% decrease	(1.24)	(0.07)	(0.09)	(0.24)	(0.22)	(0.22)
As at March 31, 2022						
Foreign Currency (In Crores)	1.22	0.97	0.27	0.23	15.51	2.35
Indian rupees (In Crores)	92.75	7.93	22.82	18.59	15.51	10.55
Impact on profit and loss:						
1% increase	0.93	0.08	0.23	0.19	0.16	0.11
1% decrease	(0.93)	(0.08)	(0.23)	(0.19)	(0.16)	(0.11)

Particulars	USD	CHF	SEK	EUR	CNY	Others
Payables						
As at March 31, 2023						
Foreign Currency (In Crores)	0.86	0.66	5.67	0.43	1.38	34.53
Indian rupees (In Crores)	70.61	59.00	45.01	38.24	16.49	13.55
Impact on profit and loss:						
1% increase	0.71	0.59	0.45	0.38	0.16	0.14
1% decrease	(0.71)	(0.59)	(0.45)	(0.38)	(0.16)	(0.14)
As at March 31, 2022						
Foreign Currency (In Crores)	1.20	0.67	7.32	0.49	2.94	7.71
Indian rupees (In Crores)	91.23	54.66	59.58	41.60	34.98	6.45
Impact on profit and loss:						
1% increase	0.91	0.55	0.60	0.42	0.35	0.06
1% decrease	(0.91)	(0.55)	(0.60)	(0.42)	(0.35)	(0.06)

Particulars	BDT	BTN	LKR	NPR
Cash and cash equivalents				
As at March 31, 2023				
Foreign Currency (In Crores)	4.03	105.19	6.22	0.29
Indian rupees (In Crores)	3.06	105.19	1.55	0.18
Impact on profit and loss:				
1% increase	0.03	1.05	0.02	0.00
1% decrease	(0.03)	(1.05)	(0.02)	(0.00)

Particulars	BDT	BTN	LKR	NPR
Cash and cash equivalents				
As at March 31, 2022				
Foreign Currency (In Crores)	0.07	11.44	1.75	-
Indian rupees (In Crores)	0.06	11.44	0.44	-
Impact on profit and loss:				
1% increase	-	0.11	-	-
1% decrease	-	(0.11)	-	-

(b) **Forward contracts outstanding:**

All amount in Indian Rupees in Crores, except as stated otherwise

Currency	March 31, 2023			March 31, 2022		
	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)
Exports						
GBP	1	0.02	2.18	-	-	-
CHF	4	0.11	9.88	9	0.17	13.74
EUR	13	0.38	34.33	11	0.32	27.02
SEK	-	-	-	1	1.87	15.38
USD	100	4.64	384.07	120	6.35	489.94
ZAR	-	-	-	1	0.55	2.53
			430.46			**548.61**

Currency	March 31, 2023			March 31, 2022		
	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)
Imports						
CHF	13	0.72	66.30	13	1.21	102.90
EUR	1	0.03	3.06	4	0.10	8.42
SEK	22	3.37	27.53	50	8.71	72.11
USD	7	0.68	56.60	12	0.61	47.14
CNY	2	0.34	4.17	2	0.59	7.06
			157.66			**237.63**

(iii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to changes in interest rates relates primarily to the Company's outstanding working capital facility obtained from banks.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting year/period are as follows:

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
JP Morgan Chase Bank N.A. (Rate of Interest - 7.13%)	100.00	-
JP Morgan Chase Bank N.A. (Rate of Interest - 7.19%)	75.00	-
Bank of America (Rate of Interest - 7.61% (March 31, 2022: 4.05%)	75.00	125.00
Deutsche Bank N.A. (Rate of Interest - 7.91%)	25.00	-
	275.00	**125.00**

The interest rate is fixed, hence there is no interest rate risk applicable for the Company.

(iv) **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of loan receivables, trade receivables, derivatives, cash and cash equivalents, bank balances and other financial assets of the Company, as well as credit exposure to customers.

The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

a) **Trade receivables and financial assets**

The Company's customer profile consists of a large number of customers spread across diverse industries include public sector enterprises, state owned companies and large private corporates. Accordingly, the Company's customer credit risk is low. The Company's projects business comprises long-term contracts which have an execution period exceeding one year. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 0 to 90 days and certain retention money to be released at the end of the project. In some cases, retentions are substituted with bank/corporate guarantees.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company tracks changes in credit risk. Further, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At year end, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the statement of profit and loss within other expenses.

Specific allowance for loss has also been provided by the management based on expected recovery on individual customers.

The provision provided in books for trade receivables overdue:

Reconciliation of loss allowance

All amount in Indian Rupees in Crores, except as stated otherwise

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year/period	212.55	209.07
Add: Additional ECL/ specific provision	25.09	28.81
Less: Utilisation/ reversal of ECL/ specific provision	25.25	25.33
Balance at the end of the year/period	**212.39**	**212.55**

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

b) **Other than trade receivables and financial assets**

Management believes that the parties from which the receivables are due have strong capacity to meet the obligations and risk of default is negligible or nil, accordingly only specific allowance is made and no expected credit loss has been recorded.

c) Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

(v) **Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

All amount in Indian Rupees in Crores, except as stated otherwise

Particulars	On demand	Less than 1 year	More than 1 year	Total
	As at March 31, 2023			
Non-derivatives				
Borrowings	-	275.00	-	**275.00**
Other financial liabilities	-	113.34	2.20	**115.54**
Lease liabilities	-	16.45	66.51	**82.96**
Trade payables	-	1,514.62	-	**1,514.62**
Total non-derivative liabilities	**-**	**1,919.41**	**68.71**	**1,988.12**
Derivatives (net settled) (refer note 18)				
Embedded derivatives	-	6.38	-	**6.38**
Foreign currency forward contracts	-	3.36	-	**3.36**
Total derivative liabilities	**-**	**9.74**	**-**	**9.74**
	As at March 31, 2022			
Non-derivatives				
Borrowings	-	125.00	-	**125.00**
Other financial liabilities	-	84.64	3.17	**87.81**
Lease liabilities	-	17.00	74.36	**91.36**
Trade payables	-	1,619.00	-	**1,619.00**
Total non-derivative liabilities	**-**	**1,845.64**	**77.53**	**1,923.17**
Derivatives (net settled) (refer note 18)				
Embedded derivatives	-	5.50	-	**5.50**
Foreign currency forward contracts	-	4.35	-	**4.35**
Total derivative liabilities	**-**	**9.85**	**-**	**9.85**

34. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the shareholders of the Company. Net debt includes borrowings, trade payables, lease liabilities and other financial liabilities net of cash and cash equivalents. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

All amount in Indian Rupees in Crores, except as stated otherwise

Particulars	March 31, 2023	March 31, 2022
Borrowings	275.00	125.00
Trade payables	1,514.62	1,619.00
Lease liabilities	59.31	65.00
Other financial liabilities	125.28	97.66
Less: Cash and cash equivalents	163.19	85.90
Net Debt	**1,811.02**	**1,820.76**
Total equity	**1,215.31**	**1,132.39**
Capital and net debt	**3,026.33**	**2,953.15**
Gearing ratio	**60%**	**62%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023.

35. Contingent liabilities and contingent assets

Contingent liabilities (Claims against the Company not acknowledged as debts)

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Other matters	47.44	50.11
	47.44	**50.11**

The Company does not have any contingent assets at the balance sheet date.

a) The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/ courts. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position.

b) In respect of the above contingent liabilities, the future cash outflows are determinable only on receipt of judgement pending at various forums/ authorities.

c) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject, the Company does not expect any material impact of the same.

d) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

36. Commitments

(a) Capital commitments

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on account of capital commitments and not provided for (net of advances)	26.71	56.95

(b) Leases

The Company has lease contracts for building, leasehold land and vehicles used in its operations. Leases of building have lease terms between 2 and 15 years, land is 98 years and motor vehicles have lease terms between 4 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. Some of the lease agreements have escalation clause ranging from 0% to 7% (March 31, 2022: 0% to 7%). There are several lease contracts that include extension and termination options and variable lease payments.

The Company also has certain leases of machinery/Computer equipments with lease terms of 12 months or less and with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Company applied a single discount rate to leases of similar economic environment with a similar end date and excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Refer note 3 for carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2023.

Below are the carrying amounts of lease liabilities and the movements during the year/period:

All amount in Indian Rupees in Crores, except as stated otherwise

Particulars	March 31, 2023	March 31, 2022
Opening lease liabilities	65.00	39.07
Additions	8.51	44.35
Accretion of interest	4.24	4.20
Payments	(17.84)	(18.79)
Deletions	(0.60)	(3.83)
Closing lease liabilities	**59.31**	**65.00**

All amount in Indian Rupees in Crores, except as stated otherwise

Particulars	March 31, 2023	March 31, 2022
Current	12.69	12.16
Non-current	46.62	52.84

The following are the amounts recognised in profit or loss for the year/period ended:

All amount in Indian Rupees in Crores, except as stated otherwise

Particulars	March 31, 2023	March 31, 2022
Depreciation charge of right-of-use assets	16.09	16.80
Interest expense on lease liabilities	4.24	4.20
Expense relating to short-term leases and leases of low-value assets (included in other expenses)	3.68	6.54
	24.01	**27.54**

The Company had total cash outflows for leases of ₹ 21.52 Crores for the year ended March 31, 2023 (₹ 25.33 Crores for the period ended March 31, 2022).

The maturity analysis of lease liabilities are disclosed in Note 33(C)(v).

The effective interest rate for lease liabilities is 6% to 9%.

37. Segment information

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and for which discrete financial information is available. The Company is engaged in the business relating to products, projects and services for electricity transmission and related activities. Accordingly, the Company's activities and business is reviewed regularly by the chief operating decision maker from an overall business perspective, rather than reviewing its products/services as individual standalone components. Thus, the Company has only one operating segment, and has no reportable segment in accordance with Ind AS- 108 'Operating Segments'.

(i) The entity wide disclosures as required by Ind AS-108 are as follows:

All amount in Indian Rupees in Crores, except as stated otherwise

Description	For the year ended March 31, 2023	For the 15 Months period ended March 31, 2022
Sale of products	3,528.74	3,402.27
Revenue from execution of contracts for projects and services	711.51	1,226.20
Sale of services	94.25	132.20
Other operating revenues	134.01	123.29
Revenue from operations	**4,468.51**	**4,883.96**

(ii) Geographical information

All amount in Indian Rupees in Crores, except as stated otherwise

Revenue from customers	For the year ended March 31, 2023	For the 15 Months period ended March 31, 2022
India	3,279.89	3,760.94
Other countries*	1,188.62	1,123.02
	4,468.51	**4,883.96**

* Exports to any single country are not material to be disclosed.

Non-current assets**	March 31, 2023	March 31, 2022
India	763.77	776.52
Other countries*	0.13	0.39
	763.90	**776.91**

** Non current assets does not include deferred tax assets, financial assets and non-current tax assets.

(iii) No customer individually accounted for more than 10% of the revenues for the year ended March 31, 2023 (March 31, 2022: Power Grid Corporation of India Limited account for more than 10% of Company's total revenue from operations). Also refer note 40[1].

38. Revenue from contracts with customers

a) Disaggregated revenue information

All amount in Indian Rupees in Crores, except as stated otherwise

Revenue by geography	For the year ended March 31, 2023	For the 15 Months period ended March 31, 2022
India	3,279.89	3,760.94
Other countries*	1,188.62	1,123.02
	4,468.51	**4,883.96**

* Exports to any single country are not material to be disclosed.

All amount in Indian Rupees in Crores, except as stated otherwise

Revenue by offerings/ timing	For the year ended March 31, 2023	For the 15 Months period ended March 31, 2022
Point in time		
Sale of products	3,528.74	3,402.27
Other operating revenue (Scrap sales)	28.13	37.14
Period over time		
Revenue from execution of contracts for projects and services	711.51	1,226.20
Sale of services	94.25	132.20
Other operating revenue (Other than scrap sales)	105.88	86.15
	4,468.51	**4,883.96**

b) Contract balances

All amount in Indian Rupees in Crores, except as stated otherwise

	March 31, 2023	March 31, 2022
Trade receivables (refer note 12)	1,527.77	1,418.70
Advance from customer (refer note 21)	468.73	193.51
Billing in excess of contract revenue (refer note 21)	41.80	89.51
Contract assets (refer note 15)	177.32	95.25
	2,215.62	**1,796.97**

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer and hence is not a financial instrument. In Company's contracts with customers, since the contractual right to payment arises only upon achievement of milestones specified in the contract, it is believed that the performance completed until the achievement of a particular milestone should be recorded as a contract asset under non-financial assets.

During the year, ₹ 95.55 Crores of contract assets pertaining to the long term contracts as of April 01, 2022 (During the period, January 1, 2021 to March 31, 2022 ₹ 111.03 Crores of contract assets pertaining to the long term contracts as of January 01, 2021) has been reclassified to trade receivables upon billing to customers on completion of milestones.

During the year, the Company has recognised revenue of ₹ 77.31 Crores arising from opening billing in excess of contract revenue as of April 01, 2022 (January 1, 2021 is ₹ 345.92 Crores).

c) No significant adjustments are expected in contract price for revenue recognised in statement of profit and loss.

d) Performance Obligation

Information about the Company's performance obligations are summarised below:

i.) **Long term (Construction type) contracts -** The long term contracts are ordinarily presumed to consist of combined obligations which are not distinct in the context of the contract (i.e., single performance obligation). This is highly attributed to the long-term construction nature of the projects, whereby deliverables are typically highly interrelated and combined. The typical scope of turnkey contracts arrangements includes engineering, manufacturing, shipment, delivery installation, testing, erection and commissioning and civil works. Although there are several components to the overall scope of the contract, the turnkey contracts are generally considered one performance obligation.

ii.) **Products manufacturing and erection, commissioning and installation contracts -** These contracts comprising of two performance obligations of supply of products and erection and commissioning thereof. When the manufacturing stage is complete, factory acceptance testing procedures are performed to ensure the equipment meets customer specifications and may involve the customer physically observing the testing procedures. Revenue from contracts, where the performance obligations are satisfied over time and other consideration, is recognized as per the percentage of completion method. The Company uses the percentage of completion method based on the costs expended to the date as a proportion of the total costs to be expended.

Company as part of its contracts, provides warranties of the equipment for defects arising out of poor workmanship, inferior material or manufacturing. Such warranty provided is in the nature of assurance warranty and is not accounted for as a separated performance obligation.

e) Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2023 is ₹ 7,070.91 Crores (March 31, 2022 is ₹ 4,672.29 Crores). The conversion to revenue is highly dependent on meeting the delivery schedules, contractual terms and conditions with customers, availability of customer sites, changes/ variation in scope/ prices etc. In view of these, it is not practical to define the accurate percentage of conversion to revenue. However, it will be in a range of 1 to 3 years.

f) There was no revenue recognised in the current year ended March 31, 2023 from performance obligations satisfied (or partially satisfied) in previous periods on account of significant changes in transaction price.

39. Exceptional items

Reimbursement of reorganisation expenses

During the period ended March 31, 2022, Hitachi Energy Ltd (formerly known as Hitachi ABB Power Grids Ltd), had made one time payment of ₹ 45.64 Crores to the Company towards reimbursement of reorganization costs incurred/ to be incurred by the Company consequent to the separation of Power Grids business. Such reimbursement is pursuant to the global arrangement between ABB Ltd, Switzerland (‘ABB’), and Hitachi Ltd, Japan (‘Hitachi’) being the shareholders of Hitachi Energy India Limited Accordingly, the reimbursement of ₹ 35.85 Crore received towards the expenditure already incurred by the Company, after separation, had been disclosed as an exceptional item in the statement of profit and loss and balance reimbursements received of ₹ 9.79 Crores had been accounted as advances towards liability to be incurred in the subsequent years.

40. Related party disclosures

Party where control exists:

Hitachi Limited (Ultimate Holding Company)

Hitachi Energy Limited (Holding Company)

Entities under common control
Name of the Fellow subsidiaries:
ABB (China) Ltd., Beijing, China
ABB (Private) Ltd., Harare, Zimbabwe
ABB (Hong Kong) Ltd., Hong Kong, Hong Kong Special Administrative Region of China
ABB Limited, Zurich, Switzerland
ABB A/S, Skovlunde, Denmark
ABB AB, Västerås, Sweden
ABB AG, Mannheim, Germany
ABB Algerie Produits SpA, Hydra, Algeria
ABB AS, Fornebu, Norway
ABB Asea Brown Boveri Ltd, Zurich, Switzerland
ABB Australia Pty Limited, Moorebank, NSW, Australia
ABB Automation (Thailand) Co., Ltd., Bangkok, Thailand
ABB Beijing Switchgear Limited, BeiJing, China
ABB Bulgaria EOOD, Sofia, Bulgaria
ABB Chongqing Transformer Company Ltd., Chongqing, China
ABB Electrical Equipment (Xiamen) Co., Ltd., Xiamen, China
ABB Electrical Industries Co. Ltd., Riyadh, Saudi Arabia
ABB Electrification Sweden AB, Västerås, Sweden
ABB Elektrik Sanayi A.S., Istanbul, Turkey
ABB E-mobility B.V., Delft, Netherlands (Formerly known as ABB B.V.)
ABB Engg. Technologies Co. (KSCC), Safat, Kuwait
ABB Global Business Services And Contracting India Private Limited, Bangalore, India (Formerly known as ABB Substations Contracting India Private Limited)
ABB Global Industries and Services Private Limited, Bangalore, India
ABB Global Marketing FZ LLC, Dubai, United Arab Emirates
ABB Hefei Transformer Co. Ltd., Hefei, China
ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China
ABB High Voltage Switchgear Co., Ltd. Beijing, Beijing, China
ABB Inc., Cary, NC, United States
ABB Inc., Saint-Laurent, Quebec, Canada
ABB India Limited, Bangalore, India
ABB Industries (L.L.C.), Dubai, United Arab Emirates
ABB Information Systems Ltd., Zurich, Switzerland
ABB Jiangsu Jingke Instrument Transformer Co., Ltd., Suqian, Jiangsu, China

ABB Limitada, Maputo, Mozambique
ABB Limited, Dar Es Salaam, Tanzania, United Republic of
ABB Limited, Dhaka, Bangladesh
ABB Limited, Nairobi, Kenya
ABB Limited/Jordan LLC., Amman, Jordan
ABB Lineage Power Mexico, S. de R.L. de C.V.; Mexico; Mexico
ABB LLC., Muscat, Oman
ABB LLP., Almaty, Kazakhstan
ABB Ltd., Kampala, Uganda
ABB Ltd., Lusaka, Zambia
ABB Ltd., Seoul, Korea, Republic of
ABB Management Services Ltd., Zurich, Switzerland
ABB Mexico S.A. de C.V., San Luis Potosi SLP, Mexico
ABB N.V., Zaventem, Belgium
ABB Oy, Helsinki, Finland
ABB Panama Sales, S.A., Panama, Panama
ABB Pte. Ltd., Singapore, Singapore
ABB S.A., Buenos Aires, Argentina
ABB S.A., Lima, Peru
ABB S.A., Santiago, Chile
ABB S.p.A., Milan, Italy
ABB s.r.o., Prague, Czech Republic
ABB SARL, Kinshasa Gombe, Congo, Democratic Republic of the Congo
ABB Schweiz AG, Baden, Switzerland
ABB Shanghai Free Trade Zone Industrial Co., Ltd., Shanghai, China
ABB Shanghai Power System Engineering Co., Ltd., Shanghai, China
ABB Shanghai Transformer Co., Ltd., Shanghai, China
ABB South Africa (Pty) Ltd., Modderfontein, South Africa
ABB Sp. z o.o., Warsaw, Poland
ABB Technology SA, Abidjan, Cote d'Ivoire
ABB Transmission & Distribution Limited LLC, Abu Dhabi, United Arab Emirates
ABB Xiamen Surge Arrestor Co., Ltd., Xiamen, China
(Formerly known as ABB Xiamen Surge Arrestor Co. Ltd.)
ABB Xi'an Power Capacitor Company Limited, Xi'an, China
ABB, Inc., Paranaque, Metro Manila, Philippines
ABBNG Limited, Lagos, Nigeria
ABBPowerGrids Philippines, Inc., Paranaque City, Philippines
Asea Brown Boveri S.A., Madrid, Spain
Hitachi Energy (China) Ltd., Beijing, China
Hitachi Energy (Thailand) Limited, Bangkok, Thailand
(Formerly known as ABB Power Grids (Thailand) Limited)
Hitachi Energy Argentina S.A.U., Ciudad Autonoma de Buenos Aires, Argentina
(Formerly known as ABB Power Grids Argentina S.A.U.)
Hitachi Energy Australia Pty Ltd, Australia
(Formerly known as ABB Power Grids Australia Pty Ltd)
Hitachi Energy Belgium N.V., Zaventem, Belgium
(Formerly known as ABB Power Grids Belgium N.V.)
Hitachi Energy Brasil Ltda, Guarulhos, Brazil
(Formerly known as ABB Ltda.)
Hitachi Energy Bulgaria EOOD, Sevlievo, Bulgaria
(Formerly known as ABB Power Grids Bulgaria EOOD)
Hitachi Energy Canada Inc., Saint-Laurent, Quebec, Canada
(Formerly known as ABB Power Grids Canada Inc)
Hitachi Energy Chile S.A., Santiago, Chile
(Formerly known as ABB Power Grids Chile SA)
Hitachi Energy Colombia Ltda, Bogotá, Colombia
(Formerly known as ABB Power Grids Colombia Ltda)
Hitachi Energy Czech Republic s.r.o., Trutnov, Czech Republic
(Formerly known as ABB Power Grids Czech Republic s.r.o)
Hitachi Energy d.o.o., Zagreb, Croatia
(Formerly known as ABB Power Grids Zagreb d.o.o.)
Hitachi Energy Denmark A/S, Skovlunde, Denmark
(Formerly known as ABB Power Grids Denmark A/S)
Hitachi Energy Finland Oy, Vaasa, Finland
(Formerly known as ABB Power Grids Finland Oy)
Hitachi Energy France, Les Ulis, France
Hitachi Energy Germany AG, Mannheim, Germany
(Formerly known as ABB Power Grids Germany AG)
Hitachi Energy Greece Single Member Societe Anonyme, Metamorphossis Attica , Greece
(Formerly known as ABB Power Grids Greece Single Member SA)
Hitachi Energy Holdings Ltd, Zurich, Switzerland
(Formerly known as ABB PG Power Grids Ltd)
Hitachi Energy Hong Kong Limited, Hong Kong, Hong Kong Special Administrative Region of China
(Formerly known as ABB Power Grids Hong Kong Limited, Hong Kong Special Administrative Region of China)
Hitachi Energy Hungary Kft, Budapest, Hungary
Hitachi Energy International Marketing FZ-LLC, DUBAI, United Arab Emirates
(Formerly known as ABB Power Grids International Marketing FZ-LC, Dubai, United Arab Emirates)
Hitachi Energy Ireland Limited, Dublin, Ireland
(Formerly known as ABB Power Grids Ireland Limited)
Hitachi Energy Italy S.p.A., Milano, Italy
(Formerly known as ABB Power Grids Italy S.p.A.)
Hitachi Energy Japan Ltd., Tokyo, Japan
(Formerly known as ABB Power Grids Japan, Ltd.)
Hitachi Energy Korea Ltd., Seoul, Korea, Republic of
(Formerly known as ABB Power Grids Korea Ltd.)
Hitachi Energy L.L.C, Dubai, United Arab Emirates
(Formerly known as ABB Power Grids LLC)
Hitachi Energy Limited / Jordan, Amman, Jordan
Hitachi Energy LLC, Muscat, Oman., Oman
(Formerly known as ABB PG Muscat LLC)
Hitachi Energy Ltd, Moscow, Russia
(Formerly known as ABB Power Grids Ltd.)
Hitachi Energy India Limited, Riyadh, Saudi Arabia
(Formerly known as ABB Contracting Company Ltd.)
Hitachi Energy Malaysia Sdn. Bhd., Selangor, Malaysia
(Formerly known as ABB Power Grids Malaysia Sdn Bhd)
Hitachi Energy México, S.A. de C.V., San luis Potosi, , Mexico
Hitachi Energy New Zealand Limited, Auckland, New Zealand
(Formerly known as ABB Power Grids New Zealand Limited)
Hitachi Energy Norway AS, Oslo, Norway
(Formerly known as ABB Power Grids Norway AS)
Hitachi Energy Peru S.A., Lima, Peru
(Formerly known as ABB Power Grids Peru S. A.)
Hitachi Energy Poland Sp. z o.o., Warsaw, Poland
(Formerly known as ABB Power Grids Poland Sp. z o.o.)
Hitachi Energy Portugal, S.A., Oeiras, Portugal
(Formerly known as ABB Power Systems Portugal)
Hitachi Energy Romania S.R.L., Bucharest, Romania
(Formerly known as ABB SRL)
Hitachi Energy Services Sp. z o.o., Warsaw, Poland
(Formerly known as ABB PG Business Services Sp. z o.o.)
Hitachi Energy Singapore Pte. Ltd., Singapore , Singapore
(Formerly known as ABB Power Grids Singapore Pte. Ltd.)
Hitachi Energy Solutions FZCO, Dubai, United Arab Emirates
(Formerly known as ABB Power Grids Solutions FZCO)
Hitachi Energy South Africa (Pty) Ltd, Johannesburg, South Africa
(Formerly known as ABB Power Grids South Africa (Pty) Ltd)
Hitachi Energy Spain, S.A.U., Madrid, Spain
(Formerly known as ABB Power Grids Spain, S.A.)
Hitachi Energy Sucursal Panamá, S.A., Panama, Panama
(Formerly known as Sucursal Panama de ABB SA)
Hitachi Energy Sweden AB, Västerås, Sweden
(Formerly known as ABB Power Grids Sweden AB)
Hitachi Energy Switzerland Ltd, Baden, Switzerland
(Formerly known as ABB Power Grids Switzerland Ltd)
Hitachi Energy Systems L.L.C., Abu Dhabi, United Arab Emirates
(Formerly known as ABB POWER GRIDS SYSTEMS LLC)
Hitachi Energy Taiwan Co., Ltd., Taipei, Taiwan (Chinese Taipei)
(Formerly known as ABB Power Grids Co., Ltd.)
Hitachi Energy Technologies L L C, Doha, Qatar
Hitachi Energy Technologies W.L.L., Bahrain, Bahrain
Hitachi Energy Technology S.A.E, Cairo, Egypt
(Formerly known as ABB for Power Grids S.A.E)
Hitachi Energy Technology Services Private Limited, Bangalore, India
(Formerly known as ABB Power Technology Services Private Limited)
Hitachi Energy The Netherlands B.V., Rotterdam, Netherlands
(Formerly known as ABB Power Grids The Netherlands B.V.)
Hitachi Energy Trading S.A.E, Cairo, Egypt.
(Formerly known as ABB Holding for Power Grids S.A.E)
Hitachi Energy Transformers S.A.E, Fifth Settlement, New Cairo, Egypt
(Formerly known as ABB Transformers S.A.E.)
Hitachi Energy Turkey Elektrik Sanayi Anonim Şirketi, İstanbul, Turkey
(Formerly known as ABB Power Grids Turkey Elektrik Sanayi Anonim Şirketi)
Hitachi Energy UK Limited, Stone, United Kingdom
(Formerly known as ABB Power Grids UK Limited)
Hitachi Energy USA Inc., Raleigh, NC, United States
(Formerly known as ABB Enterprise Software Inc.)
Hitachi Energy Vietnam Company Limited, Hanoi, Vietnam
(Formerly known as ABB Ltd.)
Hitachi Hi-Rel Power Electronics Private Limited
Hitachi Systems India Private Limited, India
(Formerly known as Hitachi Systems Micro Clinic Private Limited)
Hitachi T&D Systems Asia Pte. Ltd, Singapore
Johnson Controls-Hitachi Air Conditioning India Limited
Nanjing SAC Automation Co. Ltd., Nanjing, Jiangsu, China
(Formerly known as Nanjing SAC Power Grid Automation Co. Ltd.)
PT ABB Sakti Industri, Jakarta, Indonesia
PT. Hitachi Sakti Energy Indonesia, Jakarta, Indonesia
(Formerly known as PT. ABB Power Grids Indonesia)
Pucaro Elektro-Isolierstoffe GmbH, Roigheim, Germany

Name of the Fellow associates:

Linxon India Private Limited

Linxon India Engineering Private Limited

Key managerial personnel :

(a)	**Managing Director & CEO**	Nuguri Venu
(b)	**Non-Executive Director**	Achim Michael Braun (appointed w.e.f. February 25, 2021) Ismo Antero Haka (appointed w.e.f. February 25, 2021) Frank Duggan (resigned w.e.f. February 25, 2021) Sanjeev Sharma (resigned w.e.f. February 25, 2021)
(c)	**Non-Executive cum Independent Directors**	Akila Krishnakumar Nishi Vasudeva Mukesh Hari Butani
(d)	**Chief Financial Officer**	Ajay Singh
(e)	**Company Secretary**	Poovanna C Ammatanda

Transactions with related parties

Transaction value in excess of 10% with a fellow subsidiary has been individually disclosed below. All other cases have been grouped and disclosed as 'other fellow subsidiaries'.

All amount in Indian Rupees in Crores, except as stated otherwise

		For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
i)	**Revenue from operations**		
	Ultimate Holding Company		
	- Hitachi Limited	5.61	19.83
	Holding Company		
	- Hitachi Energy Limited (w.e.f. February 5, 2021)	20.53	19.33
	Fellow Subsidiaries		
	- Hitachi Energy USA Inc., Raleigh, NC, United States (Formerly known as ABB Enterprise Software Inc.)	243.00	124.32
	- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	128.28	106.99
	- ABB India Limited; Bangalore; India[1]	77.83	193.15
	- Other fellow subsidiaries	557.43	477.79
	Fellow Associates		
	- Linxon India Private Limited	24.13	41.19
		1,056.81	**982.60**
ii)	**Other income**		
	Fellow Subsidiaries		
	- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	0.11	0.23
	- ABB India Limited; Bangalore; India[1]	0.07	-
	- ABB S.p.A., Milan, Italy	0.05	
	- ABB Limited, Dhaka, Bangladesh	0.04	-
	- ABB Asea Brown Boveri Ltd, Zurich, Switzerland (w.e.f February 5, 2021)	-	30.58
	- Other fellow subsidiaries	0.06	1.24
		0.33	**32.05**

All amount in Indian Rupees in Crores, except as stated otherwise

		For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
iii)	**Purchases of raw materials, components , project items, stock-in-trade and sub-contracting expenses**		
	Fellow Subsidiaries		
	- Hitachi Energy Vietnam Company Limited, Hanoi, Vietnam (Formerly known as ABB Ltd.)	86.28	88.26
	- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	87.58	170.93
	- ABB India Limited; Bangalore; India[1]	59.54	150.48
	- Other fellow subsidiaries	131.16	147.63
		364.56	**557.30**
iv)	**Expenditure on royalty and technology fees**		
	Fellow Subsidiaries		
	- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	146.22	197.56
	- Other fellow subsidiaries	1.13	2.17
		147.35	**199.73**
v)	**Expenditure on information technology, engineering, management, legal and professional fees and other services**		
	Holding Company		
	- Hitachi Energy Limited (w.e.f. February 5, 2021)	47.73	72.76
	Fellow Subsidiaries		
	- Hitachi Energy Technology Services Private Limited, Bangalore, India (Formerly known as ABB Power Technology Services Private Limited)	43.14	51.74
	- Hitachi Energy Holdings Ltd, Zurich, Switzerland (Formerly known as ABB PG Power Grids Ltd)	39.26	62.59
	- ABB India Limited; Bangalore; India	16.03	42.98
	- ABB Information Systems Ltd., Zurich, Switzerland	16.31	26.62
	- Other fellow subsidiaries	36.41	39.90
		198.88	**296.59**
vi)	**Expenses recovered from group companies**		
	Ultimate Holding Company		
	- Hitachi Limited	0.02	-
	Holding Company		
	- Hitachi Energy Limited (w.e.f. February 5, 2021) (refer note 39)	0.97	38.90
	Fellow Subsidiaries		
	- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	14.93	15.09
	- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	6.20	5.42
	- Other fellow subsidiaries	2.85	4.22
	Fellow Associates		
	- Linxon India Private Limited	2.21	-
		27.18	**63.63**

All amount in Indian Rupees in Crores, except as stated otherwise

		For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
vii)	**Other capital expenditure**		
	Fellow Subsidiaries		
	- ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China	5.67	1.29
	- Hitachi Energy Germany AG, Mannheim, Germany (Formerly known as ABB Power Grids Germany AG)	1.90	0.58
	- ABB India Limited; Bangalore; India	0.29	37.59
	- Other fellow subsidiaries	1.25	1.53
		9.11	**40.99**
viii)	**Reimbursement of capital expenditure**		
	Holding Company		
	- Hitachi Energy Limited (w.e.f. February 5, 2021) (refer note 3(iv))	28.50	26.41
ix)	**Dividend paid**		
	Holding Company		
	- Hitachi Energy Limited (w.e.f. February 5, 2021)	9.54	6.36
x)	**Remuneration to key managerial personnel**		
	The remuneration of key management personnel and a relative of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures		
	Particulars		
	Short term employee benefits	7.61	10.36
	Post employment benefits*	0.40	0.44
	Directors' Sitting fees	0.29	0.14
	Commission to Directors	1.16	1.15
	Total	**9.46**	**12.09**

* Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

xi) Company has issued back-to-back guarantee to Linxon India Private Limited during the year ended March 31, 2022 to ₹ 3.80 Crores which is outstanding as at March 31, 2023 and March 31, 2022 respectively.

Amount due to / from related parties

Balances in excess of 10% with a fellow subsidiary has been individually disclosed below. All other cases have been grouped and disclosed as 'other fellow subsidiaries'.

All amount in Indian Rupees in Crores, except as stated otherwise

		As at March 31, 2023	As at March 31, 2022
i)	**Trade receivables**		
	Ultimate Holding Company		
	- Hitachi Limited	0.01	-
	Holding Company		
	- Hitachi Energy Limited	8.03	4.29
	Fellow Subsidiaries		
	- ABB India Limited, Bangalore, India[1]	66.20	142.80
	-Hitachi Energy USA Inc., Raleigh, NC, United States (Formerly known as ABB Enterprise Software Inc.)	55.50	24.95
	- Other fellow subsidiaries	262.14	186.47
	Fellow Associates		
	- Linxon India Private Limited	13.68	16.42
		405.56	**374.93**

All amount in Indian Rupees in Crores, except as stated otherwise

		As at March 31, 2023	As at March 31, 2022
ii)	**Other financial assets**		
	Holding Company		
	- Hitachi Energy Limited (refer note 3(iv))	-	26.41
	Fellow Subsidiaries		
	- ABB India Limited; Bangalore; India	4.79	6.10
	- Hitachi Energy Switzerland Ltd, Baden,Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	6.54	-
	- Other fellow subsidiaries	0.73	0.19
		12.06	**32.70**
iii)	**Other current assets**		
	Holding Company		
	- Hitachi Energy Limited	-	0.66
	Fellow Subsidiaries		
	- ABB India Limited, Bangalore, India[1]	5.95	1.00
	- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	0.57	6.34
	- ABB Power Grids International Marketing FZ-LC, Dubai, United Arab Emirates	-	1.55
	- Other fellow subsidiaries	1.25	3.91
		7.77	**13.46**
iv)	**Trade payables**		
	Holding Company		
	- Hitachi Energy Limited	0.12	-
	Fellow Subsidiaries		
	- ABB India Limited, Bangalore, India[1]	95.46	142.40
	- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	51.36	80.52
	- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	47.33	58.82
	Hitachi Energy Holdings Ltd, Zurich, Switzerland (Formerly known as ABB PG Power Grids Ltd)	30.38	42.64
	- Other fellow subsidiaries	97.58	135.25
	Fellow Associates		
	- Linxon India Private Limited	1.08	3.22
		323.31	**462.85**
v)	**Other financial liabilities**		
	Fellow Subsidiaries		
	- ABB India Limited, Bangalore, India	33.49	32.79
	- Other fellow subsidiaries	0.49	-
		33.98	**32.79**
vi)	**Other current liabilities**		
	Holding Company		
	- Hitachi Energy Limited (refer note 39)	9.79	9.79
	Fellow Subsidiaries		
	-Hitachi Energy South Africa (Pty) Ltd, Johannesburg, South Africa (Formerly known as ABB Power Grids South Africa (Pty) Ltd)	24.93	1.99
	- Hitachi Energy Brasil Ltda, Guarulhos, Brazil	3.56	3.56

All amount in Indian Rupees in Crores, except as stated otherwise

	As at March 31, 2023	As at March 31, 2022
(Formerly known as ABB Ltda.)		
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	-	7.05
- Hitachi Energy Colombia Ltda, Bogotá, Colombia (Formerly known as ABB Power Grids Colombia Ltda)	-	6.14
- Other fellow subsidiaries	9.21	4.55
Fellow Associates		
- Linxon India Private Limited	0.02	-
	47.51	**33.08**

[1] Pursuant to demerger of Power Grid business from ABB India Limited ('ABB'), as detailed in note 16(g), the Company has accounted sales and purchases towards the contracts yet to be novated by the Company with customers and vendors. The aforesaid sales and purchases has been included in the revenue from operations and cost of sales of the Company. The receivables and payables on account of the same has been included in trade receivables and payables respectively.

Also refer sl. no. xi of transactions with related parties.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

41. Corporate social responsibility expenses

As per the Section 135 of the Companies Act 2013 ('Act'), the Board shall ensure that the Company spends, in every financial year, at least two per cent of the average of the net profits of the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility ('CSR') Policy. Hence, the Company falls within the ambit of Section 135 of the Act and is required to contribute the amount stipulated under the aforesaid provisions of the Act.

All amount in Indian Rupees in Crores, except as stated otherwise

				For the year ended March 31, 2023	For the 15 months period ended March 31, 2022
a)	Gross amount required to be spent by the Company during the year/period			4.25	3.58
b)	Amount approved by the Board to be spent during the year/period			4.25	3.58
c)	Amount spent during the year ended on March 31, 2023:				
			In cash	**Yet to be paid in cash**	**Total**
	i)	Construction/acquisition of any assets	-	-	-
	ii)	On purposes other than (i) above	1.63	2.62	4.25
d)	Amount spent during the period ended on March 31, 2022:				
			In cash	**Yet to be paid in cash**	**Total**
	i)	Construction/acquisition of any assets	-	-	-
	ii)	On purposes other than (i) above	2.15	1.43	3.58
e)	Details related to spent/ unspent obligations:			**March 31, 2023**	**March 31, 2022**
	i)	Contribution to Public Trust		-	-
	ii)	Contribution to Charitable Trust		1.63	2.15
	iii)	Amount yet to be paid in cash in relation to:			
		-Ongoing project		2.62	1.43
		-Other than ongoing project		-	-
				4.25	**3.58**

f) Details of ongoing project

Opening balance		**Amount required to be spent during the year**	**Amount spent during the year**		**Closing balance**	
With Company	In separate CSR unspent account		From Company's bank account	From separate CSR unspent account	With Company	In separate CSR unspent account
1.43	0.11	4.25	2.08	1.09	2.17	0.45

42. Ratios

All amount in Indian Rupees in Crores, except as stated otherwise

Ratio	Numerator	Denominator	For the year ended March 31, 2023	For the 15 months period ended March 31, 2022	% change
Current ratio	Current Assets	Current Liabilities	1.16	1.15	0.80%
Debt- Equity Ratio[1]	Total Debt	Shareholder's Equity	0.23	0.11	104.99%
Debt Service Coverage ratio[2]	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance costs	Debt service = Interest & Lease Payments + Principal Repayments	4.37	7.21	-39.37%
Return on Equity ratio[2]	Net Profits after taxes	Average Shareholder's Equity	0.08	0.20	-59.40%
Inventory Turnover ratio[2]	Cost of goods sold	Average Inventory	3.75	5.09	-26.22%
Trade Receivable Turnover Ratio[2]	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.04	3.24	-6.15%
Trade Payable Turnover Ratio[2]	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.51	2.69	-6.65%
Net Capital Turnover Ratio[2]	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	10.74	14.32	-24.99%
Net Profit ratio[2]	Net Profit	Net sales = Total sales - sales return	0.02	0.04	-50.00%
Return on Capital Employed[2]	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.12	0.26	-54.86%
Return on Investment	Interest (Finance Income)	Investment	N.A	N.A	N.A

[1] Increase on account of increase in short term loan from bank as at March 31, 2023.

[2] Ratios for the year ended March 31, 2023 are not comparable to ratios disclosed for the comparative period. Refer note 2.1(D)

43. The Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the Income Tax Act, 1961 ('regulations') to determine whether the transactions entered during the year ended March 31, 2023, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

44. The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets/ liabilities and has concluded that no material adjustments are required at this stage in these financial statements.

45. Additional regulatory information

- No funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- There are no funds received by the Company from any person or entity, including foreign entities ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- No transactions to report against Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

46. Subsequent events

The Board of directors have recommended dividend of ₹ 3.40 per equity share, which translates to a total dividend of ₹ 14.41 Crores, for the year ended March 31, 2023. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

47. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership no. 061207

Place: Bengaluru
Date: May 24, 2023

For and on behalf of the Board of Directors of
Hitachi Energy India Limited
(Formerly known as ABB Power Products and Systems India Limited)
Corporate identity number (CIN) : L31904KA2019PLC121597

Achim Michael Braun
Chairman & Director
DIN: 08596097

Nuguri Venu
Managing Director & CEO
DIN: 07032076

Mukesh Hari Butani
Director
DIN: 01452839

Ajay Singh
Chief Financial Officer

Poovanna C Ammatanda
General Counsel &
Company Secretary
(FCS4741)

Bengaluru
May 24, 2023

Additional information
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