



**Hitachi Energy India Limited**  
**Integrated Annual Report 2023-24**

Leading the  
energy transition

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# Leading the energy transition

Hitachi Energy India Limited is powered by its purpose – to advance a sustainable energy future for all. The Company firmly believes that technology is a key enabler in the journey towards this goal which will help secure the future of generations to come.

Today, the world is humming with global industrial expansion and digitalisation; we are witness to a flurry of commercial and retail developments which includes setting up of offshore R&D offices, data centers, data transmission networks, and the electrification of transport. Massive technological leaps have enabled faster communication, dissolving of geographical boundaries, and greater collaboration. The actualisation of the Internet of Things, especially through emerging technologies like AI and Gen AI hastened the pace of change across every industry and society.

This rapid pace of change means that the global energy infrastructure is under constant pressure to meet the ever-growing electricity requirements. The greater challenge, however, is to ensure an inclusive and equitable future

that addresses the critical aspects of energy security, efficiency, flexibility, and reliability with minimum environmental footprint.

By leveraging Hitachi Energy India Limited's expertise in pioneering technologies across the spectrum of generation, transmission, distribution, and consumption, the Company is co-creating global, local, and hyper-local solutions across industries and geographies for its customers.

In the sustained pursuit of quality, innovation, and excellence, Hitachi Energy India Limited has maintained a deep focus on building sustainable, diverse, and meaningful partnerships. These relationships encompass customers, suppliers, industry partners, policy makers, academia as well as communities to inspire innovative pathways to a carbon-neutral future.

Ultimately, Hitachi Energy India Limited is driven by the objective to contribute to creating long-term customer value and have a real, positive impact on societies, economies, and the environment.

“Over the past seven decades, Hitachi Energy India Limited's legacy demonstrates our unwavering dedication toward bringing a clean flexible and sustainable energy future for all in the country. As India grows to take its place as the third-largest economy in the world, there is also the commitment to work towards a zero-carbon future. Advanced digital technologies will play a pivotal role in navigating the complexities of the evolving energy landscape and ensuring sustainability. We have been part of many nation-building projects, contributing to a strong and resilient grid. Whether it is to scale renewables, redefine mobility – rail or electric vehicles – or help industries and data centers transition to clean energy or low-carbon power, our technology, innovation and services will help India achieve net zero.”

**N Venu**

**Managing Director and CEO, Hitachi Energy India Ltd.**

We are delighted to present our inaugural Integrated Annual Report for financial year 2023-24. This report includes voluntary information, as far as it is available to us, in line with the reporting framework developed by the International Integrated Reporting Council (IIRC). Primarily, this report aims to meet the information needs of our investors, both equity holders and potential investors. Our goal is to present this information in a way that is also relevant to all key stakeholders.

This report complies with the Companies Act, 2013, Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Secretarial standards issued by the Institute of Company Secretaries of India. It also highlights our contributions to the United Nations Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) standards.

The compilation of information within this integrated annual report for FY 2023-24 has undergone a rigorous governance process to ensure the integrity of the facts and information. The governance for this report has ensured the application of a collective mind, confirming that reviewers are satisfied with the integrity and accuracy of the provided information, and its compliance with the key concepts of the IR Framework.

When considered as a whole, the Integrated Report presents a factual and balanced account of the Company's business activities. It informs stakeholders about our delivery on key corporate, social, and environmental responsibilities, and our alignment with the strategy and business model. It also provides a representation of material risks and opportunities.

The management of Hitachi Energy India Ltd recognizes its responsibility in ensuring the integrity, transparency, and accuracy of the information presented in the Integrated Annual Report. The management also confirms that the report addresses business-critical material issues pertaining to the organization and its stakeholders and communicates the organization's ability to pursue prospects and mitigate risk.



## Forward-Looking Statements

This report contains forward-looking statements that describe our expectations, based on reasonable assumptions and past performances. These are subject to change in light of developments in the industry, geographical market conditions, government regulations, laws, and other incidental factors. These statements should not be used as a guarantee of our future performance, as the underlying assumptions could materially change.

## Scope and Boundary

This report provides comprehensive information about the business activities of Hitachi Energy India Limited, communicated through the six capitals as per the guidelines defined by the International Integrated Reporting Council (IIRC). The document encapsulates our business model, overarching performance, and corresponding results.

For the purpose of this report, the terms “Hitachi Energy India”, “The Company”, “Your Company”, “We”, “Our”, and “Us” represent Hitachi Energy India Limited. “Hitachi Energy”, “Hitachi Energy Ltd.” represent the Holding / Promoter / Group Company(ies) of Hitachi Energy India Ltd.

## Reporting Period

The reporting period for the Annual Report is from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024. However, certain sections of the report provide facts and figures from prior years to give readers a complete picture.

## Auditor’s Report

The financial statements are audited by S.R.Batiboi and Associates LLP, Chartered Accountants, and the ‘Independent Auditor’s Report’ has been duly incorporated as part of this report.

## Stakeholder Feedback

We welcome and appreciate the constructive participation and feedback of our stakeholders. Please send us your feedback to:

Email: [investors@hitachienergy.com](mailto:investors@hitachienergy.com)

Website: <https://www.hitachienergy.com/in/en>

## Capitals that Drive Our Business Forward



Financial capital



Intellectual capital



Manufactured capital



Social and relationship capital



Human capital



Natural capital

# Poised to support India's growth and energy ambitions

India has emerged as the fastest-growing economy in the world, on track to become the third-largest economic power globally in the upcoming years.

A vast young population out of which 65% are below the age of 35, provides the foundation of this potential. This will drive a multifold increase in energy demand, which will require secure, sustainable, and scalable energy infrastructure to meet the growing energy needs of today and generations to come.

Globally, the economy proved resilient – demonstrating gradual growth at a modest pace. Despite the fact that geo-political tensions and resulting supply chain and labor market impacts were expected over FY 2023-24, inflation receded across major economies, and supply chain disruption eased. Organisation for Economic Co-operation and Development (OECD), expects steady global growth over the next couple of years with the growth rate of 3.1% experienced in 2023 to continue in 2024 and pick up to 3.2% in 2025. This growth, while subdued compared to the decade's historical average of 3.8% (2000-2019) indicates a slight upturn, with inflation falling in most regions.

However, the ongoing conflict between Russia-Ukraine, the Israel-Hamas war, and diplomatic tensions between the US and China had a marked impact on critical sectors such as energy, pharma, and agriculture through disruption in logistics and supply chains. While investment in the energy sector, especially in clean energy is growing, acceleration is required in order to meet the net zero emissions goal by 2050.

Against this backdrop, India presents a solid case for an optimistic outlook while pinpointing the areas that need to be recalibrated. As per the Ministry of External Affairs' Half Yearly Economic Review, India's real GDP growth remained resilient due to strong domestic demand amid continued deceleration in global economic activity. The Indian economy remained resilient with robust 7.6% growth rate of GDP in FY 2023-24 over and above 7% growth rate in FY 2022-23. Double-digit growth was seen across sectors like construction (10.7%), and manufacturing saw strong growth rate at 8.5% in FY 2023-24.

The World Bank's October 2023 India Development Update reported that India's growth rate was the second highest among G20 countries and almost twice the average for emerging market economies. This resilience was underpinned by robust domestic demand, strong public infrastructure investment and a strengthening financial sector.

The provisional estimates of Indian annual GDP for 2023-24 by National Statistical Office (NSO) is expected to grow by 8.2% in FY 2023-24 as compared to the growth rate of 7.0% in

FY 2022-23. This puts the country on track to play its role as a growth driver for the Asian region. The IMF predicts that Asia will drive 60% of global GDP growth in 2024.

To support this growth, India's installed power capacity is expected to reach 616 GW by 2027, increase to 900 GW by 2032, from its current capacity of 442 GW in March 2024.

However, climate-led challenges have brought focus on renewing efforts to accelerate the first leg of India's climate action commitments – to reduce intensity of emissions of GDP by 45% (from 2005 levels) and achieve about 50% cumulative electricity generation capacity from non-fossil fuel-based energy resources by 2030, with the aim to reach the long-term net-zero goal by 2070.

Efforts are being taken to promote manufacturing and the use of renewable energy along with a gradual shift from fossil-based fuels, to mitigate the impact of climate change. As a result, renewable energy sources, including large hydropower, have increased by 11% in FY 2023-24, resulting in a combined installed capacity of 191 GW at the end of March 2024. The present installed capacity of power generation is around 4,26,132 MW. Out of a total generation capacity of 9,943 MW added in FY 2023-24, 1,674 MW is from fossil fuel sources and 8,269 MW is from non-fossil fuel sources. The National

To support this growth, India's installed power capacity is expected to reach over 600 GW by 2027, increase to over 900 GW by 2032, from its current capacity of 442 GW in March 2024.

Committee on Transmission (NCT) has approved about 10 new transmission projects worth over ₹ 6,600 Crores.

Further, implementation of the Production Linked Incentive (PLI) Scheme for National Program on High Efficiency Solar PV Modules will help achieve manufacturing capacity of GW scale in high efficiency Solar PV modules.

Battery Energy Storage Systems (BESS) will also play a critical role as demand for power surges. As per the Central Electricity Authority's (CEA) National Electricity Plan (NEP) 2023 projections, energy storage requirement is expected to increase to 2380 GWh (540 GWh from Pumped Storage Projects and 1840 GWh from BESS). In order to make battery storage affordable, the Viability Gap Funding scheme, approved to the extent of up to 40% of capital cost for setting up 4,000 MWh of BESS, will serve to bring down the cost of electricity from BESS. Additionally, the PLI scheme for the manufacturing of Advanced Chemistry Cell (ACC) battery storage of 50 GWh capacity will encourage investment in the domestic manufacturing of cells for grid-scale applications, reduce import burden and result in cost reduction of BESS in future.

India's largest BESS storing solar energy – the 40 MW/120 MWh solar PV plant with an installed capacity of 152.3 MWh was successfully commissioned in Rajnandgaon, Chhattisgarh in February 2024.

Green hydrogen continues to be top priority with expenditure of ₹ 17,490 Crores earmarked to support domestic manufacturing of electrolyzers. This, along with a requirement of 125 GW of renewable energy for such production, will give further impetus to decarbonisation efforts of 50 MMT of cumulative carbon abatement while reducing fossil fuel import dependence.

In the last seven decades, Hitachi Energy India Limited has significantly contributed to realising India's ambitions in strengthening and transforming the dynamically evolving energy landscape. The Company is strategically positioned to contribute to the country's growing economy and achieving its sustainability goals. The Company seeks to leverage the government's initiatives and emerging trends in the renewables sector through world-class technologies, eco-efficient products, solutions and services while consolidating its contribution through exports.

With a strong market presence, deep expertise in high-voltage power technologies and delivery across the value chain, it is poised to benefit from considerable investments in transmission including systems dedicated to renewable grid integration. Hitachi Energy India Limited's comprehensive electrification portfolio with a range of Transmission and

Distribution (T&D) solutions, HVDC transmission corridors and innovative transformers, power quality products and automation solutions 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. Its commitment to digital transformation, enhancing efficiency, productivity, availability, and environmental sustainability, solidifies its position as a trusted long-term partner in advancing a sustainable energy future in India.

Hitachi Energy India Limited's comprehensive electrification portfolio with a range of Transmission and Distribution (T&D) solutions, HVDC transmission corridors and innovative transformers, power quality products and automation solutions align with the requirements for efficient power evacuation from renewable energy sources and making grid flexible and reliable.



# Key highlights of FY 2023-24

**~442 GW**

**Installed power capacity**

India is the third-largest producer of electricity worldwide<sup>1</sup>

**3rd**

**Largest** consumer of electricity worldwide is India, with a population of 1.43 billion<sup>2</sup>

**3rd**

India is the world's third-largest emitter of CO<sub>2</sub> emissions 1.9 tCO<sub>2</sub> per person<sup>3</sup>

**4th**

**Largest** installed renewable energy capacity<sup>4</sup>

**5th**

In attracting clean energy investments of US\$19 billion<sup>5</sup>

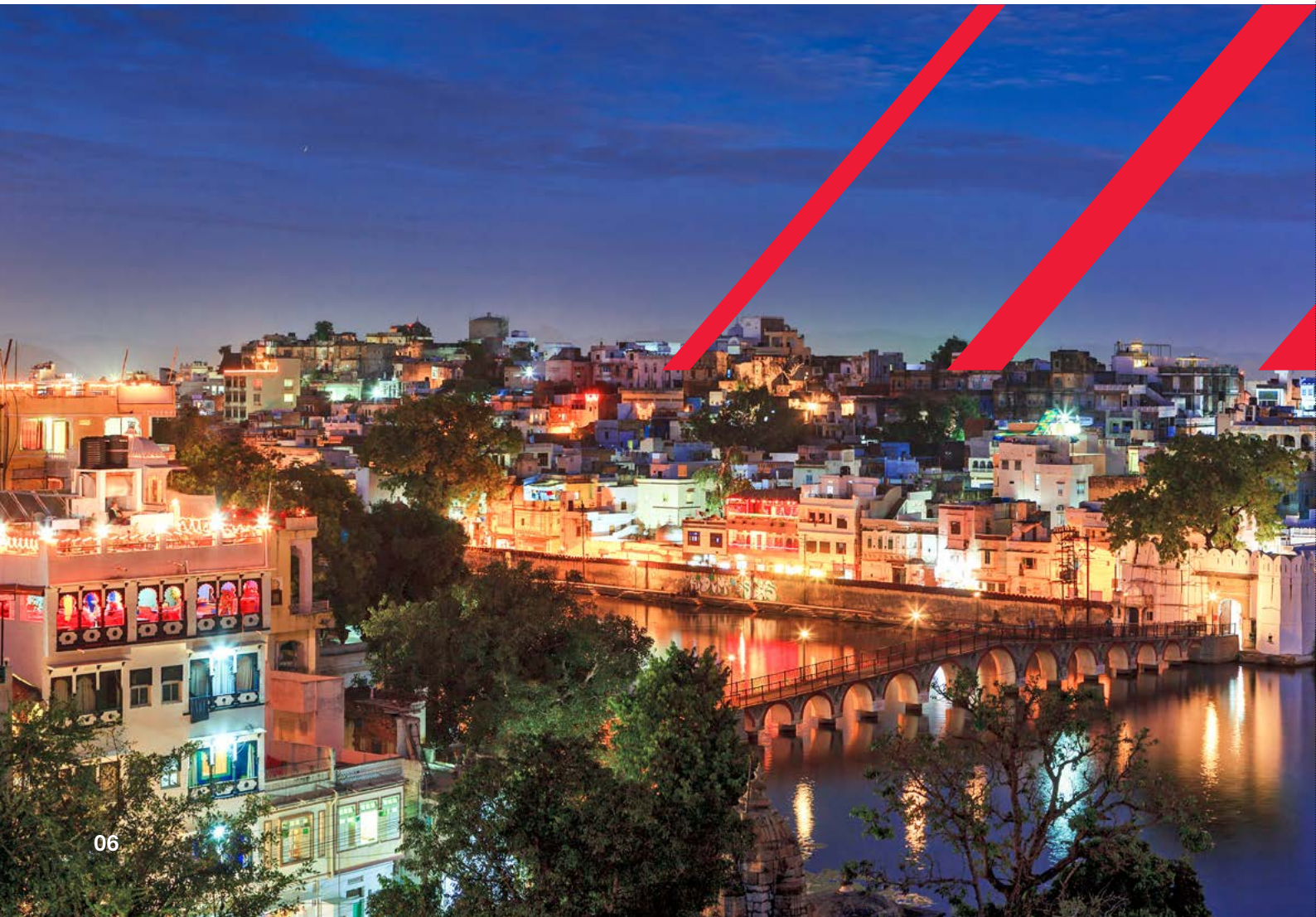
1 [https://cea.nic.in/wp-content/uploads/installed/2024/03/IC\\_Mar\\_2024\\_allocation\\_wise.pdf](https://cea.nic.in/wp-content/uploads/installed/2024/03/IC_Mar_2024_allocation_wise.pdf)

2 <https://www.ibef.org/industry/power-sector-india>

3 <https://www.statista.com/statistics/1379081/leading-countries-based-on-greenhouse-gas-emissions/> (as of September 2023)

4 <https://www.irena.org/Data/View-data-by-topic/Capacity-and-Generation/Country-Rankings>

5 <https://www.iea.org/reports/world-energy-investment-2023/overview-and-key-findings> (as of 2022)



**43%**

Of total generating capacity is in the form of renewable energy<sup>6</sup>

**94%**

Rail broad-gauge network installed<sup>7</sup>

**6.4%**

EV penetration of India market in 2023 compared to 4.75% in 2022<sup>8</sup>

**Focus areas – 2030****50%**

Energy from non-fossil sources

**500 GW**

Renewable energy capacity

**100%**

Rail electrification

**30%**

EV penetration

**1 billion tons**

Of CO<sub>2</sub> reduction

**1 million tons**

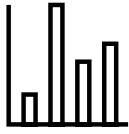
Of green hydrogen in annual production

6 [https://cea.nic.in/wp-content/uploads/installed/2024/03/IC\\_Mar\\_2024\\_allocation\\_wise.pdf](https://cea.nic.in/wp-content/uploads/installed/2024/03/IC_Mar_2024_allocation_wise.pdf)

7 <https://pib.gov.in/PressReleaseframePage.aspx?PRID=2001906>

8 <https://www.statista.com/statistics/1453069/india-penetration-of-electric-vehicles/#:~:text=In%202023%2C%20the%20penetration%20rate,comparison%20with%20a%20decade%20ago>

# Hitachi Energy India Limited



## Financial highlights

**₹ 5,246.8 Crores**

Revenue

**₹ 163.8 Crores**

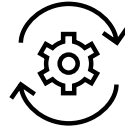
Profit after tax (PAT)

**₹ 350.2 Crores**

Operational EBITDA

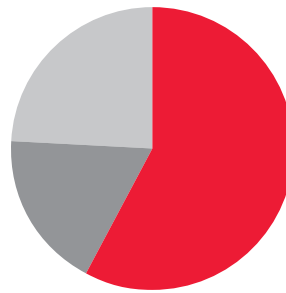
**₹ 38.64**

Earnings per share



## Business highlights

Orders split by sectors

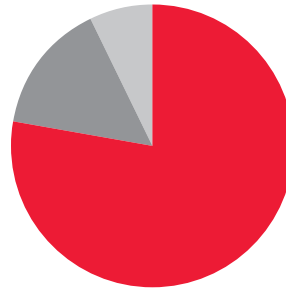


**58% Utilities & Renewables**

**18% Industries**

**24% Transport & Infrastructure**

Orders split by offering



**78% Products**

**15% Projects**

**7% Services**





## Sustainability highlights

Hitachi Energy's purpose for sustainability 2030<sup>1</sup>, places sustainability at the heart of the Company's purpose with a promise to advance a sustainable energy future for all. In line with this purpose, Hitachi Energy India Limited is committed to drive business in a sustainable way. The Sustainability 2030 plan aims to advance in four key areas – Planet, People, Peace and Partnerships.



### Planet

**97%**

Recycling of waste

**18%**

Reduction in water from 2019

**88%**

Reduction in emissions from 2019

**37%**

Reduction in energy consumption per Crores revenue since 2019



### Peace

Zero incident of corruption and bribery



### People

**~21%**

Gender diversity in hiring



### Partnerships

New Energy Lab – Integration, Control & Protection  
IIT Kharagpur

Smart Electric Grid Higher Education & Lab  
NIT Warangal

Smart & Sustainable Community/Campus  
IIT Roorkee

<sup>1</sup> Hitachi Energy is working to become carbon neutral across its operating sites by 2030, and throughout its value chain by 2050. The Sustainability 2030 plan summarises Hitachi Energy's commitment to act and drive business based on four pillars: Planet, People, Peace, and Partnerships. Its strategy draws from the UN's Sustainable Development Goals. Each pillar has corresponding targets that drive its business to contribute social, environmental, and economic value.

An aerial photograph of a vast solar farm, showing numerous rows of solar panels stretching across a landscape. A prominent red diagonal line runs across the right side of the image, symbolizing progress or a path forward. The text is overlaid on the left side of the image.

# Technology for a sustainable and digital grid in India



As a leading provider of power technology, Hitachi Energy India Limited's comprehensive energy portfolio provides sustainable solutions to meet the ever-increasing demand for electricity, while also driving the energy transition. The Company's rich heritage in India has provided technological innovations that facilitated One-Nation-One-Grid, seamless integration of renewables at scale across multiple projects, and the transition to digitalisation. Your Company's sustainable portfolio of products and solutions is designed to facilitate the safe and efficient management of the entire energy cycle, across both conventional and renewable sources.

# Technologies for a sustainable and digital grid in India

As a leading provider of power technology, Hitachi Energy India Limited’s comprehensive energy portfolio provides sustainable solutions to meet the ever-increasing demand for electricity, while also driving the energy transition.

The Company’s rich heritage in India has provided technological innovations that facilitated One-Nation-One-Grid, the seamless integration of renewables at scale, and the transition to digitalisation. The Company’s sustainable portfolio of products and solutions is designed to facilitate the safe and efficient management of the entire energy cycle, across both conventional and renewable sources.

## The journey of Hitachi Energy India Limited

### Advancing India’s sustainable energy future

Deeply rooted in the country since its entry to the Indian market in 1949, the Company has significantly expanded its local operations to meet the country’s evolving power sector needs, facilitate accelerated energy transitions and drive digitalisation. The Company’s pioneering and digital solutions span the power value chain as a total life-cycle partner, ensuring the provision of reliable and sustainable services to its clients. To enable scale for sustainable growth in the sector, the Company has made significant investments across the value chain spanning R&D centers, academia, customer learning centers, employees, and suppliers.

A powerhouse in manufacturing electronics, industrial machinery, and infrastructure products since 1910, Hitachi Ltd. lends its expertise and resources to fuel Hitachi Energy’s innovative energy solutions for India. Hitachi’s leading digital technologies merged with world-class power grids solutions will help Hitachi Energy to actively support the global transformation and decarbonisation of the energy system.

As India’s energy needs evolve to support rapid economic growth, Hitachi Energy India Limited extends its legacy of seven decades as a leader in technology and pioneering innovation to advance a sustainable energy future for everyone, everywhere in the country. In its efforts to enable India’s energy transition, the Company has forged key partnerships in diverse sectors such as utilities, industries, transportation, data centers, and smart life. Together with our customers, our focus is on building truly sustainable power infrastructure.

Globally Hitachi Energy was formed as two iconic companies with a combined heritage of almost 250 years in pioneering technologies came together. The Company’s position as a prominent player in the energy sector was strengthened through a strategic joint venture of ABB’s Power Grids business and Hitachi Ltd. announced in 2018.

Hitachi Energy India Limited was listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) amidst the global pandemic on March 30, 2020.



# Digitalising the energy landscape

Hitachi Energy India Limited is focused on advancing India's energy system to be more sustainable, flexible, and secure. To achieve this goal, the Company strives to provide maximum value to its customers through pioneering technology, sustainable products and solutions, expertise in digitalisation, and a wide and highly organised network that combines manufacturing, sales and service.

The Company has intensified its capacity and resource augmentation in line with India's acceleration of efforts to meet climate targets.

More than

## 10

BUSD installed base in India spanning generation, and transmission of industrial electric power systems

## 2,375

Experts in India close to customers, providing deep insights into local market operations and conditions unique to the subcontinent

The Company delivers technology, solutions and services through its four Business Units (BU) that correlate its pioneering solutions, innovations, and competencies with the diverse needs of customers.

### Grid Automation Business Unit

The Grid Automation BU's comprehensive portfolio of solutions addresses all key segments connected to the energy system including generation, transmission, distribution, industries, transportation, and infrastructure.

### Solutions

- Substation automation
- Communication networks
- Grid automation services
- Grid edge solutions
- Enterprise software solutions

### Grid Integration Business Unit

The Grid Integration BU offers a wide range of transmission and substation applications and facilitates integration of the future digital electric network in a reliable, efficient manner with minimal environmental impact.

This BU brings together a multitude of integrated systems, solutions, and services from the Company's DC and AC fields including High Voltage Direct Current (HVDC), Grid Edge, Substations, and Power Quality solutions. It also extends to 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 Limited 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 kV and 1,100 kV, respectively. Its High Voltage Products encompasses air-insulated switchgear (AIS) and gas-insulated switchgear (GIS), 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 reducing the environmental impact.

The BU diligently integrates key innovations in active technology power quality and battery energy storage, eco-efficient switchgear, digital generator circuit-breakers, and hybrid and integrated switchgear that help adopt and adapt to dynamic demands in the modern energy landscape.

### Transformers Business Unit

The grid is poised for greater levels of complexity with ongoing decarbonisation efforts which will necessitate better power

quality and network management. Transformers will be crucial towards making these improvements a reality.

The Transformers BU delivers end-to-end solutions for power transformers, traction transformers, insulation and components, digital sensors, and transformer services.

These transformers have been deployed for power generation, transmission, and distribution in metals and mining, oil and gas, commercial and infrastructure projects, as well as mobility.

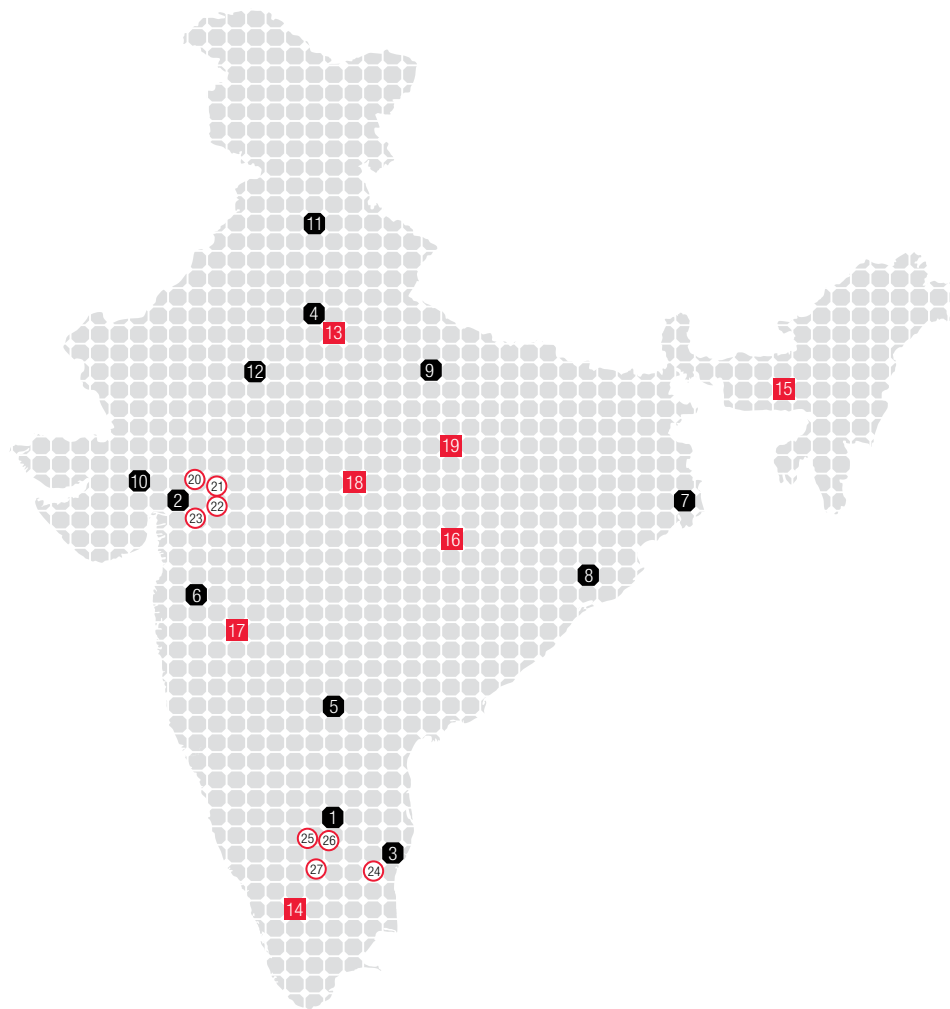
The Company offers next-level transformer digitalisation in the form of TXpert™ Ecosystem, demonstrating its commitment to innovation and sustainability.

Hitachi Energy India Limited became the first company to supply the largest power-rated Scott transformers in India, with multiple units of 100 MVA, 132 kV and 230 kV. Scott transformers will enable the upgrade of the rail infrastructure electrical system in Western India to allow trains to reach speeds of 160km/h, a +20% increase compared to the current 130km/h maximum speed – making commute between four major Indian cities faster and more reliable.



# Delivering an innovation roadmap for India's energy transition

Deeply rooted in the country, Hitachi Energy India Limited is a trusted partner on the journey towards a carbon-neutral energy system, providing path-breaking power technology solutions.



● Sales offices

1. Bengaluru (Country Headquarters)
2. Vadodara
3. Chennai
4. Faridabad
5. Hyderabad
6. Mumbai
7. Kolkata
8. Bhubaneswar
9. Lucknow
10. Ahmedabad
11. Chandigarh
12. Jaipur

■ Sales touch points


13. Gurugram
14. Kochi
15. Guwahati
16. Raipur
17. Pune
18. Bhopal
19. Jabalpur

○ Manufacturing locations

20. Maneja – Vadodara
21. Savli (Main) – Vadodara
22. Savli (Feeder) – Vadodara
23. Halol – Vadodara
24. Chennai
25. Peenya – Bengaluru
26. Doddaballapur – Bengaluru
27. Mysuru

Source: Surveyofindia  
[https://surveyofindia.gov.in/webroot/UserFiles/files/1\\_16%282%29.pdf](https://surveyofindia.gov.in/webroot/UserFiles/files/1_16%282%29.pdf)


Map not to scale and for representation purpose only

-  19 manufacturing units across 8 locations



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-  12 sales offices; 7 sales touch points

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-  2,375 employees

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-  Digital Experience Centre (Bengaluru)
-  Energy Technology Experience Centre (Maneja)

**All Four Business Units:**

- Transformers
- High Voltage Products
- Grid Integration
- Grid Automation

**Large base:**

- Bengaluru: Head office
- Energy Digital Experience Center
- Manufacturing unit, Peenya
- Manufacturing unit, Doddaballapura
- Maneja: Manufacturing units, Energy Technology Experience Center
- Halol: Manufacturing units
- Savli: Manufacturing units
- Mysuru: Manufacturing unit
- Chennai: Manufacturing unit

# Partnering India's net zero ambitions

The Company's positive performance and growth reflects a strong alignment with the Indian power sector, and the ability to lead the energy transition.

The Company's keen focus on customers and opportunities connected to digitalisation and sustainability were instrumental in its successful performance over the year.

The energy transition resulted in orders for renewables and power quality, while other market drivers like data centers and mobility from increasing urbanisation and digitalisation across industries also played a part.

Exports increased, with orders from Asia, Europe, the US, and Africa. Despite inventory and supply chain challenges from semi-conductors and electronics. Balancing operational

complexity and efficiency, along with strong order execution helped deliver revenue and bottom-line growth.

Through its technological leadership and local market intimacy, Hitachi Energy India Limited has achieved solid growth and continues to lay the foundation for a sustainable and digital grid.

## Key financial metrics

Particulars	Amount (₹ in Crores)
Total orders received	₹ 5,536.3
Revenue	₹ 5,246.8
Profit before tax after exceptional items	₹ 221.7
Profit after tax	₹ 163.8

## Key ratios

Particulars	
Effective tax rate	26.13
Earnings per share (in ₹)	38.64
Debtor turnover	3.44
Inventory turnover	3.99
Current ratio	1.16



# Solutions for impactful tomorrow

In its relentless pursuit of innovative solutions, the global R&D team at Hitachi Energy in collaboration with local competence work towards path breaking technology and product improvements towards its goal of advancing a sustainable energy future for all.

## Lumada APM

The Company is ready with its next generation of Asset Performance Management (APM) software solution. Lumada APM facilitates a unified view of assets and asset systems. The latest release builds on its proven asset health prediction capabilities and has two additional Lumada APM modules – Lumada APM reliability and Lumada APM optimisation. These insights serve asset-intensive organisations in numerous ways including maximising asset uptime, minimising unplanned downtime, prioritising maintenance spend, extending asset life, and reducing total cost of ownership.

## SAM600 3.0

Modern digital substations are required to match and manage the growing complexity and dynamics of power generation, transmission, and distribution. The new and enhanced SAM600 3.0 process interface unit is offered as a single-box modular device that rolls in three units and can be configured as a merging unit which enables faster digital adoptions. As a result, grid operators can extend asset life span, gain crucial investment protection along with superior system performance and device flexibility and maintainability whilst lowering their carbon footprint.

## Factory updates

### Production started in HVDC & Power Quality factory in Chennai for HVDC Light® Valves

The newly inaugurated HVDC & Power Quality factory in Chennai has started assembly of HVDC Light® converter valves for Mumbai Infeed Project as per schedule. The team kick started the production on schedule despite the challenges in supply chain. In the first phase, the team started with the production of five layers of the project for Type Test and Validation.

## New and ongoing projects

### Imparting nationwide scale to the energy transition

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

From cutting-edge power systems to advanced manufacturing facilities, the Company is progressing with several milestone projects in FY 2023-24 that push the boundaries of innovation and collaboration to deliver clean energy, grid reliability, and integration of renewable energy sources on a national scale.

### Successful completion of HVDC-Dielectric type test

The HVDC team achieved a monumental milestone by successfully completing the Valves type-test for a client's HVDC project manufactured in the HDVC and Power Quality factory in Chennai. The team also received positive feedback from the customer. In addition to IEC62501, they performed a wet test for the customer, completing it ahead of schedule.



## Augmenting India's energy transition actions

As India adds renewable energy capacity at world-leading speed, this increased RE generation and increased non-linear loads impact the power quality in the grid. Large scale renewable energy converters inject the power system with harmonics/reactive power that is adding pressure on the grid without delivering usable value. This is where STATCOM plays a crucial role. Static synchronous compensator system is a complex, multi-component system for reactive power compensation and power quality improvement.

The Company secured a contract for High Power (HP) STATCOM to integrate 4 GW renewable energy into the National Grid from the upcoming project in Fatehgarh, Rajasthan. The HP STATCOM and all major components for the project are being manufactured at multiple local factories, including the HVDC & Power Quality factory in Chennai.

## Supporting the integration of renewable power in India

The Company secured a contract from Ayana Renewable Power to provide a grid connection solution for their upcoming 300 MW solar photovoltaic power plant in Bikaner, Rajasthan. Hitachi Energy created an optimised solution that meets the safety, quality and technical requirements of the project.

Leveraging its strong local footprint and expertise in project design and execution, Hitachi Energy provided an engineering, procurement and construction management package that collects all the power generated by the plant and transfers it into the national transmission system safely and reliably.

## Strengthening Indian Rail

Hitachi Energy India Limited has been transforming India's energy landscape and impacting diverse sectors, including revolutionising rail and metro transportation with its advanced power automation solutions and transformers. The Company has received multiple orders for traction transformers from leading rail locomotive manufacturers in India.

## Local and global partnerships

### Hitachi Energy global entity acquires eks Energy

Advanced power electronics and energy management software capabilities is required to meet accelerated, global demand for battery energy storage solutions. To enable these additional capabilities, parent company of Hitachi Energy India Limited acquired a controlling stake of eks Energy, a leading supplier of power electronics and energy management solutions for storage and renewables integration, based in Seville, Spain, from Powin LLC (Powin), a top global energy storage system provider. The investment also marks the establishment of a strategic partnership with Powin, who maintains a significant ownership stake in eks Energy.

### Hitachi Energy global entity and Google Cloud

Hitachi Energy Ltd. and Google Cloud have entered a strategic agreement to collaborate and co-create on multiple cloud software products and services designed to support the energy transition. Hitachi Energy's Velocity Suite Power Prices is available on the Google Cloud Marketplace gives a first taste of the significant value resulting from this partnership that combines energy and digital expertise to advance sustainability initiatives.

### Manthan Lab in India

Grid Automation India inaugurated the Manthan Lab as a support and training lab for customers, commissioning engineers and for new recruit training. The center will also help to test and validate new automation solutions for customer projects.



# Aiming for a carbon-neutral future



**Achim Michael Braun**  
Chairman



**N. Venu**  
Managing Director and Chief Executive Officer

## Dear Shareholders,

As countries pledge or renew their commitments to attaining a carbon-neutral future in the long-term, it has become imperative to energise their efforts at scale with the twin accelerators of sustainability and digitalisation. We are pleased to provide you with an update on Hitachi Energy India Limited's progress and the exciting opportunities that lie ahead in India's renewable energy sector.

The objective of creating pathways to a sustainable energy future has led to considerable progress in the renewable energy sector. Conducive policies and ecosystem, favorable schemes and incentives, and country-level initiatives clearly indicate India's ambition to be among the global leaders in renewable energy production. Companies such as Hitachi Energy India Limited, which have a long legacy of partnering the country's renewable energy ambitions, are well-positioned to participate in and empower this transition. With our deep expertise in renewable technologies, innovative products and solutions enabled by our strong local manufacturing footprint and capabilities, we can actively support this journey by leveraging renewables such as wind, hydro and solar power.

While the goal is to accelerate the shift to non-fossil fuel-based electricity, digital transformation has become equally critical to manage the power system transition challenges. This includes addressing on priority the increased complexity and reduction of CO<sub>2</sub> emissions while ensuring highest efficiency, reliability, flexibility, and availability at scale. With rapid expansion and electrification of the transportation, industry and buildings sectors, the need for sustainable, secure and reliable power supply has become imperative.

## Strategically positioned

With the nation moving towards achieving its net-zero goal for a sustainable future, Hitachi Energy India Limited is strategically positioned to seize significant opportunities in India's evolving energy landscape. Our expertise and commitment to innovation and delivering across the value chain place us at the forefront of key growth areas including renewable energy, data center or railway electrification.

In the renewable energy sector, the Company's comprehensive range of digitally-enabled solutions, including energy management automation, evacuation systems, and transformers position it well to capitalise on the momentum towards renewable energy. India's renewable energy market is led by solar and wind, which are already charting an exponential growth trajectory. As the capacity multiplies, the Company's strong market presence and extensive capabilities uniquely position us to support the country's ambitious renewable energy targets.

Similarly, India's data center capacity in the top seven cities is expected to exceed 1 GW, a three-fold increase in four years by 2024. The Company's offerings, such as substations, GIS, automation and transformers, are well-aligned with the demand from data center operators for reliable power connection and eco-efficient solutions.

Being a long-term partner of the Indian Railways, the Company can provide the technology, products and services necessary to support massive plans to expand the rail network, modernise it to run high-speed trains, and overhaul old lines along with electrification.

In addition, Hitachi Energy India Limited's extensive installed base in India provides a solid foundation to expand its service portfolio. With offerings ranging from digitalised classic services to advanced services and servitised solutions, the Company aims to maintain the steady pace of increase in its share of service orders.

Through its manufacturing muscle, innovative solutions, demonstrated success and expertise, Hitachi Energy India Limited can tap into new markets and drive growth. In line with its approach to 'make in India for India and the world', Hitachi Energy India Limited is working to expand its export footprint, which currently contributes to approximately 25% of the order book.

### Surpassing targets

Four years since Hitachi Energy India Limited's standalone operations, the Company is proud to report that for the FY 2023-24 the total orders secured were worth ₹ 5,536.3 Crores. The Company managed to achieve this despite the large-scale disruption caused by the pandemic, supply chain limitations, global supply shocks due to geopolitical challenges, and contractions in international trade.

### Sustainability at heart

We greatly value the role of our employees in driving the success of Hitachi Energy India Limited. That's why our focus is on fostering a diverse and inclusive culture that offers ample opportunities for career growth. Our innovative employer branding programs help us continue to attract top talent. The Company has also created a culture of lifelong learning and adaptation, crucial in today's dynamic and complex market environment.

Safety, integrity, and quality have always been our license to operate, and the Company has continued to prioritise them by conducting regular training and awareness programs to create a secure and supportive environment for all.

The Company's periodic energy assessments and efficiency transformations are pivotal to stepping up the pace towards our commitment to achieving carbon-neutrality. Since the inception of the Sustainability 2030 program, the Company has achieved 88% reduction in carbon emission. Achieving 100% fossil-free electricity consumption in our facilities has been another highlight in our sustainability journey. The Company's environment-focused initiatives such as smart metering and multiple sustainability projects across locations are also making an impact.

### Innovation and collaboration

By exploring greater synergies and collaborative partnerships with industry and technology implementation partners, we are continually innovating and co-creating next-generation eco-efficient solutions that will address future challenges and accelerate the power system ramp-up in the transition

Through its manufacturing muscle, innovative solutions, demonstrated success and expertise, Hitachi Energy India Limited can tap into new markets and drive growth. In line with its approach to 'make in India for India and the world', Hitachi Energy India Limited is working to expand its export footprint, which currently contributes to approximately 25% of the order book.

towards a carbon-neutral energy system. The Company is also supporting academia by creating a social innovation platform for students, researchers, faculties and industries to ideate through hackathons and joint projects.

### In conclusion

Hitachi Energy India Limited remains committed to shaping the future of the energy sector, delivering sustainable, digital-led solutions and creating long-term value for our stakeholders. The Company is well poised to harness opportunities in key growth areas through a strong foundation, strategic focus, close collaboration with stakeholders and relentless innovation.

We have deep gratitude towards our esteemed shareholders, investors, and dedicated employees for their unwavering support, trust and commitment. These have been instrumental in propelling Hitachi Energy India Limited's journey towards a sustainable and prosperous future.

As we continue to work towards contributing to India's growth story, we will lean heavily on our industry-leading experience, deep domain expertise, and pioneering technologies. Together with our stakeholders, we look forward to accelerating the global energy transition and ensuring a sustainable, safe and secure energy future for all.

Sincerely,  
for **Hitachi Energy India Limited**

**Achim Michael Braun**  
Chairman

**N. Venu**  
MD & CEO

# Advancing a sustainable energy future for all

In alignment with Hitachi Energy purpose, 'Advancing a sustainable energy future for all,' is the guiding principle that makes sustainability central to your Company's business strategy, governance, and processes.

Strongly committed to progressing with purpose and lending its support to a carbon-neutral future, the Company's Sustainability 2030 purpose lays out a strategic roadmap to deliver to this promise with well-defined priorities and actions driving sustainable and responsible business operations.

Hitachi Energy's Purpose and 2030 strategy is primarily driven by environmental, social, and economic sustainability that will steer the world towards a sustainable energy future.

The Company's Sustainability 2030 strategy revolves around Planet, People, Peace and Partnerships.

Hitachi Energy forges strategic bonds between its people and value-chain partners aligning them with its sustainability agenda, with the understanding that sustainable performance extends beyond its own operations and business offerings.

Transparency, accountability, and verification across the value chain are fundamental tenets that define the Company's approach to sustainability performance management, which encompasses:

## Achieving the sustainability 2030 purpose in India

In alignment with its global purpose, Hitachi Energy India Limited follows its 2030 goals for Planet, Peace, Partnerships and People that form the roadmap for responsible and sustainable performance in its operations in India.

The Company is among the early companies to form an ESG committee at the Board level. Hitachi Energy India Limited has been monitoring its operations and taking steps towards circularity, by reducing the carbon footprint and other environmental impacts of its operations, as well as through product localisation. In addition, the Company's strong governance and policies reinforce the core of safety, integrity and quality. The Company has undertaken initiatives focusing on employee wellness, including health and safety, investing in developing a diverse and inclusive culture.



**Climate**



**Circular economy**



**Biodiversity and ecosystems**



**Health and safety**



**Diversity, equity and inclusion (DEI)**



**Human rights and social contributions**



## Planet

Aligning to Sustainability 2030 goals, Hitachi Energy India Limited has taken several initiatives in its operations towards reducing its impact on the environment.

The Company's commitment to become carbon neutral by 2030 in its own operations drove the transition to green electricity through Power Purchase Agreements (PPAs), in-house solar and buying International Renewable Energy Certificates (I-RECs) apart from taking measures to reduce its overall energy consumption through various energy conservation projects. The Company also reviewed freshwater consumption and waste generation and has taken suitable measures for resource conservation by bringing down water consumption by 18% and recycling 97% of waste by embracing circularity.

The Company achieved 100% fossil free electricity by investing on rooftop solar in Maneja and Doddaballapur facilities, power purchase agreements at Mysuru where more than 90% of electricity is secured through wheeled green electricity and carbon offset through International Renewable Energy Certificate I-REC.

The Company also reduced direct emissions by transitioning to low carbon fuels such as PNG from LPG in Maneja and Halol, biofuels to fuel boilers in Mysuru and phasing out R22 at Maneja.

Various energy conservation measures were undertaken by our facilities across India such as replacing conventional lights with LED at Mysuru, installation of solar streetlights, AHU process improvements and thermal insulation of hotlines at Halol, and electrical retrofits such as replacement of old drives and chiller replacement at Mysuru.

## 5.5 kW

New dedicated compressor installed for Savli casting plant, reducing operation of 30 kW centralised compressor system

At Maneja, operations of HVAC at canteen were optimised using Bluetooth automation. In addition, an energy monitoring system was installed at Maneja. In this system, seven HT/ LT substations and 53 energy meters are connected to the energy monitoring system that monitors energy consumption patterns, and initiatives are further taken based on these patterns, to reduce energy consumption.

- The Company's project sites have also taken initiatives to make its operations clean using solar power. At the Mumbai Infeed project site 15 kW; 545-watt Mono PERC modules (24) are used to power the staff office
- Six sets of solar-based mobile charging equipment, with three lights and two USBs are installed in rest sheds and at the worker colony
- Seven CNG vehicles are used for site transportation instead of petrol or diesel vehicles. Six of the GPQS project sites use solar roof top for their offices and worker sheds

Water is an important resource that needs to be conserved since most regions in India are water stressed. At Maneja, 23 water meters are installed in the water distribution network to map water consumption pattern of individual factories and their utilities are tracked for leakage. This has resulted in reduction of water wastage by 132 kl/day, 28.43% of total water consumption. In the Maneja canteen, rejected water from the RO Plant is used for utensil and floor cleaning, resulting in freshwater savings to ~14 kl/day (4.56% of total water consumption).

## 30.8%

Water leakages arrested at Savli, with optimised water usage resulting in significant reduction of freshwater consumption as compared to last year

Rejected **RO water and STP treated water** are used for sanitation purposes at Mysuru and Doddaballapur respectively

**The Company has taken several steps to minimise waste across in its operations by reducing, re-using and recycling.**

**~5 MT**

Avoidance of waste generation at Peenya and Doddaballapur facilities with elimination of nearly 65,000 paper cups per month

**744 MT**

Of dust reused and not disposed of as waste

**Board dust** reused as biofuel in boiler in the form of briquettes at Mysuru

Waste paddy husk is used in boilers at Mysuru and the resulting boiler dust from paddy husk is reused as soil conditioner thereby promoting circularity. At Peenya, wood waste is reused to make various articles such as planter boxes, pen stands etc. preventing their disposal.

Carbon-neutral operations (goals)

**23 tCO<sub>2</sub> eq**

GHG reduced along the value chain

### **Peace**

The Company has a constant focus on safety, integrity and quality that is non-negotiable in any situation, forming the fundamental license to operate. Hitachi Energy India Limited uses five pillars to drive the culture and performance and make Safety, Integrity and Quality, part of its DNA. These are:

- Organisation – the Company learns from events and experiences, focusing on the human factor as the most important
- Skills – all employees are made aware of and trained on policies and equipped with skills that empower them to act on safety, integrity and quality
- Processes – strong processes are deployed across the organisation where rules are widely made aware, and people across operations apply them, making constant suggestions to improve the processes for safety, integrity and quality
- Compliance – the Company considers compliance a responsibility and acts with transparency and speed to mitigate disruptions and liabilities
- Digital – technology is at the heart of the Company's offering and operations; digital management is deployed to efficiently prevent, detect and resolve potential issues

A new Code of Ethics and Business Conduct was launched in 2022-23, and over the year 2023-24, employees across Hitachi Energy India Limited had the opportunity to internalise the rules and principles that the code espouses to guide their decision-making and actions.

**Zero incidents of corruption and bribery**



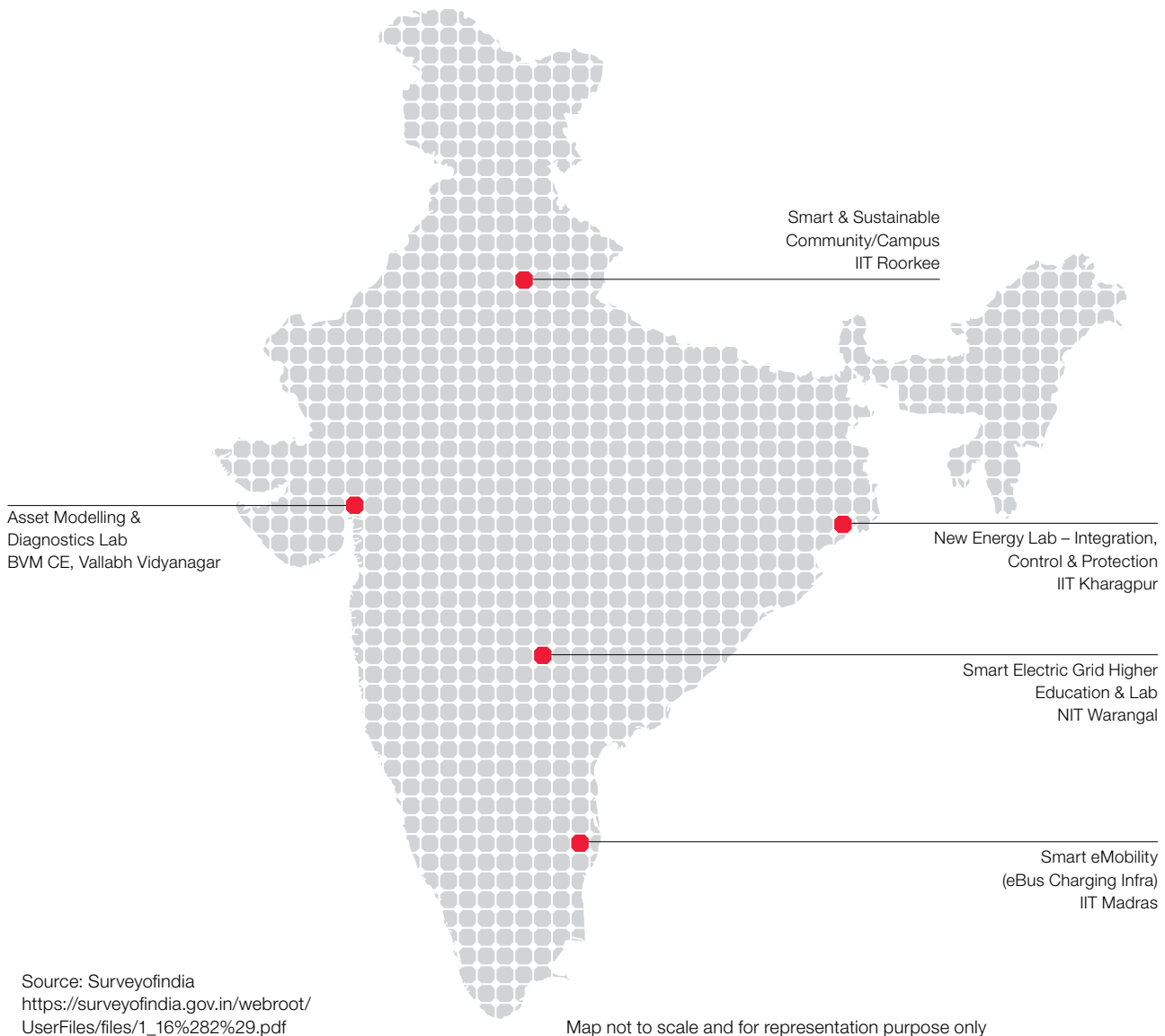
## Partnerships

Hitachi Energy India Limited has increased involvement in multi-stakeholder partnerships with a view to create positive impact towards the country's carbon-neutral energy goals by exploring new technologies, business models and ways of thinking.

The partnership strategy and approach centers around the following:

- Live lab for awareness, education, research and innovation
- Real-life systems/operations in campus
- Innovation platform for students, researchers, faculties and industries
- Ideation through hackathons, internships, joint projects
- Industry expert lectures, faculty industrial visits

To meet the growing energy demand in the country the Company continues working with various leading academic institutes through partnerships in FY 2023-24.



Hitachi Energy India Limited launched several initiatives at IIT Roorkee campus, including sponsoring electric vehicles to the institute to enable green mobility, a 200 kVA micro-grid with battery energy storage facilitating smart energy management system and a C-MAC lab.



## People

At Hitachi Energy India Limited, people form the heart of the operations, and have been the solid core for the past seven decades remaining an employer of choice. Committed to delivering meaningful employee experiences and empowering the workforce, the Company attracts and retains top talent to add customer value and drive growth.

Besides the fundamental focus on health and safety, the Company is also advancing diversity, equity and inclusion (DEI) for a sustainable tomorrow.

- Hitachi Energy has been driving a 'Women in Engineering' program as part of its Corporate Social Responsibility initiatives since 2020. The Company hosted women students of engineering from Parul University and Maharaja Sayaji University with four faculty members, to its Maneja factory for an informative session. The visitors had the opportunity to interact with the leadership team of India
- To support women from underprivileged backgrounds to pursue engineering, a day-long interactive session was organised to induct the new batch of 51 women students in their first year of engineering into the Company's CSR initiative 'Women in Engineering.' This multi-year program encourages these women to pursue engineering by helping overcome challenges due to their underprivileged backgrounds. The students met N Venu, MD & CEO along with Akilur Rahman, CTO, Hitachi Energy India Limited. Laptops were distributed to the students

Diversity 360 promises champions an inclusive culture built on the commitment of equality for all; regardless of age, education, gender, disability, religion, sexual orientation, ethnicity or background. Diversity is central to policies and processes, with emphasis on leadership, female acceleration, talent & development, and encouraging women in STEM, to fulfil the goal of achieving female diversity of 10% by 2025.

## Zero harm

Encouraging employees to stay healthy - physically and mentally

## Life-long

Career development and ownership through learning culture

## Upto 16-18%

Gender diversity by 2030

# Growing through diversity

At Hitachi Energy, the fundamental belief is that employees are the cornerstone of the Company's success. So, in 2019, when Hitachi Energy took on a renewed identity in India, the focus was to build an organisation that retained the essence of its legacy while setting out a roadmap to create sustained value for employees by delivering extraordinary experiences.

At the core of **Diversity 360** is the Company's goal to ensure its employees are provided with the right environment and empowered to thrive. Accordingly, the entire employee experience is driven along four key work streams: **Leadership pillars, Diversity, Equity and Inclusion (DE&I), female acceleration, attract and grow people** in order to deepen the commitment to equity and inclusion to embrace unique and diverse identities at work, accelerate gender balance, enabling intersectionality, allyship by creating an agile and connected environment.

## Leadership pillars

The Company firmly believes that any successful strategy begins with the active participation of leadership. Hence, Hitachi Energy India Limited has ensured that the DE&I strategy is embedded into everyday behaviors, policies, and leadership decisions.

Over 400 leaders benefited from the Company's in-house upskilling programs that have bolstered them with tools to excel in their roles, collaborate and accelerate innovation across the organisation.

The culture of continuous learning and adaptation has been emphasised through year-round learning and awareness programs. Over 3,947 courses have been hosted for employees on the Company's digital learning platform, Percipio. The launch of ExcelHer, a program designed to nurture and empower the Company's women leaders aims to provide tailored support and development opportunities towards successful careers.

The Company continues to provide platforms for knowledge-sharing by employees.

## Living the promise of diversity, equity, and inclusion

To create sustained changes at the workplace, the Company has designed unique platforms for allyship to actively support people from marginalised and underrepresented groups along with advocacy to drive positive, structural change on specific systemic issues.

## Inclusion is everybody's responsibility

The role of male allies is crucial for promoting gender equity and inclusion, achieved by raising awareness, advocating for policies, mentoring and sponsoring women, actively listening and learning from women's experiences, and being role models for other men. It lays the framework for a more equitable and just society where everyone, irrespective of their differences and gender identities, has the opportunity to thrive and succeed.

## Attract and grow

The Company facilitates multifold learning avenues that include digital platforms as well as global and local programs that help employees acquire essential skills to navigate their careers in a constantly evolving professional sphere.



## Female acceleration

Hitachi Energy India Limited's key focus in India is a strong commitment to accelerating gender balance by increasing gender diversity. In line with this objective, the 2030 ambition of your Company is to increase female diversity upto 16-18% and improve women's representation in top management and middle management roles as well as early career hires.

The global Female Talent Development Program has two cohorts of 15 participants every year to enable talent and exposure in women employees and launched ExcelHer, a program designed to nurture and empower its women leaders with tailored support and development opportunities to help them thrive.

A well-structured early talent framework helps support and target high school/secondary school graduates through apprenticeship programs, internships and thesis support for university students, and local, non-STEM programs for recent university graduates in line with business needs and for entry-level positions, along with a flagship global standard program particularly for STEM graduates helps build a strong, diverse and future-ready talent pool.

## Focus: Increasing women's representation on the shop floor

The Company set aside specific roles on the floor wherein female talent can be recruited and groomed with appropriate mapping to managers.

As part of this initiative, ITI in Dahod was identified as the only place in Gujarat where women are trained for electrical and fitter trade. This is a remote forest range and tribal area, about 150 km from Baroda city. The team from Hitachi Energy India Limited also visited six polytechnics in and around Vadodara – the Panchmahal tribal base of Gujarat (Northern) – to recruit talented women candidates.

To attract diploma engineers, the Company organised camps at multiple polytechnic institutions and created a benchmark to compare its engagement strategy with other companies to attract female talent. Consulting sessions were conducted to help them understand the business, build awareness of the factory facilities and career opportunities.

Government officials and faculty from educational institutions have been engaged through visits that showcase the facilities and environment to promote the idea of onboarding more women students.

Basic infrastructure has been developed at the factory shop-floor to address the comfort and needs of female operators. Across High Voltage factories, the headcount of women on the shop-floor grew by 45% in FY 2023-24.



# Thought leadership – Leading the conversation on the energy transition

Hitachi Energy India Limited's participation in various prestigious forums is key to foster engagement and collaborative avenues. While taking the lead and participating in such initiatives, Hitachi Energy India Limited showcases innovative solutions that pave the way for a robust, sustainable, and efficient energy system.



## 14th Clean Energy Ministerial and 8th Mission Innovation meeting in Goa

Claudio Facchin and N Venu from Hitachi Energy joined leaders and think tanks from governments, international organisations, industries, academia. This event was in sync with the G20 Energy Transitions Ministerial Meeting (ETMM) and included high-level ministerial dialogues, global initiative launches, awards, and a minister-CEO roundtable aimed at driving sustainability efforts.

## ET EnergyWorld Solar Power Congress

N Venu, MD and CEO, Hitachi Energy India Limited, shared his views on making solar accessible, reliable and sustainable. This event takes participants into the future of renewable energy. With a 1000-plus attending, there was ample opportunity to showcase the latest breakthrough innovations making solar accessible, reliable, and sustainable.



## The Energy Transition Dialogue co-hosted by Observer Research Foundation and The Global Energy Alliance for People and Planet

N Venu, MD & CEO, Hitachi Energy India Limited joined a panel discussion with global policy-makers, industry thought-leaders, doyens from India's private sector, financial services and civil society discussed ways to overcome critical issues impeding inclusive energy transition in the country.



## India Smart Utility Week (ISUW)

Leaders from Hitachi Energy India Limited spoke at the ISUW 2024, organised by India Smart Grid Forum annually. N Venu, MD & CEO, Hitachi Energy India Limited addressed the inaugural session, while Akilur Rahman, CTO, Hitachi Energy India Limited chaired a session on 'Super grids for energy transition and energy security – cross-border electricity trade in South Asia and Interconnection of regional grids in Asia.' Ajith Kesavan, Head of Grid Automation, Hitachi Energy India Limited joined a panel discussion on 'Digitalisation of utilities, roadmaps; digital twins.'



## Championing gender diverse expertise in power technologies

There is a great need for gender-diverse expertise to shine in the industry. Towards this, the Company's top women leaders participate and serve as role models in events and forums raising awareness and advocating gender equality in tech.

Hitachi Energy India Limited received the Silver Award at the DEI Awards 2024 for consistently driving the narrative of Diversity 360 across the organisation.

The Company's experts engaged in the **WeLeads Event**, which had an inspiring competition on the topic **'Fostering a more inclusive culture in the tech and power industry: The power of diversity and representation of all groups.'**

The intense discussion revolved around the significance of diversity and representation in the tech and power industry.

Dr. Shivani Sharma, Principal Technical Consultant, Power Consulting, Hitachi Energy India Limited represented the importance of diversity at several events. She was an expert panelist for **SheLeads**, an event by IEEE Netaji Subhas University of Technology Student Branch and IEEE Delhi Section WIE-PES.

She also spoke at a **Women in Energy Roundtable on Energy Storage, Electric Mobility and Green Hydrogen** during the 9<sup>th</sup> edition of India Energy Storage Week (IESW) 2023.

In addition, the IESA Leadership and IESW Advisory Board formally recognised Dr. Shivani Sharma as **A Woman Leader Driving Energy Sector in India; ETN: India 50 - Influential Women Leader in Energy Space.**



## Quality recognition from the industry ecosystem

As a leader in pioneering technology aiming for a sustainable energy future, the Company works relentlessly in the pursuit of improvement and innovative solutions and in quality.

### These efforts have met with industry approval and recognition in the form of numerous awards

- A case study on the 'reduction of field failures of ETL600 product' by the Grid Automation team in India won a gold at the 32<sup>nd</sup> Chapter Convention on Quality Concepts 2023 by Quality Circle Forum of India (QCFI). The case study garnered another gold at the TQM-INDIA Summit 2023 by Quality Circle Forum of India, which was themed 'Breakthrough Quality Solutions – Unlocking Values'. The High Voltage India feeder factory team and GIS factory team and GIS factory received the prestigious Par Excellence Award at the 37<sup>th</sup> National Convention on Quality Concepts by QCFI in Nagpur. The team showcased how shipping efficiency can be optimised while significantly reducing CO<sub>2</sub> emissions.
- The American Society for Quality awarded Hitachi Energy India Limited Transformer team (Bushing) the 5<sup>th</sup> place out of 37 participants for its case study on 'Quality strengthening by Tan delta improvement in OIP bushing' through various Kaizen practices to ensure sustainability of the grid at the 12<sup>th</sup> Annual International conference organised by the ASQ, India chapter in Ahmedabad.
- Teams from High Voltage GIS-PASS, Transformer (Bushing WC & BC) High Voltage India Feeder Factory MEB bagged various awards at the QCFI convention on Kaizen and 7 MUDAs. Transformer Team presented case studies on Safety and Quality improvement projects. The High Voltage GIS- PASS team presented case studies on Energy Conservation best practices while the High Voltage Feeder Factory MEB team presented case studies on Product Cost Reduction and best practices.
- Hitachi Energy India Limited's representatives also participated in Kaizen Scheme initiative by TCS Mysuru, winning a certificate, reward, and a rolling trophy for the best Kaizen.
- The Company continues on its path of strategically investing in its factories, R&D centers, customer learning centers, etc., to ensure operations across the ecosystem are matched and maintained in line with the evolving needs of India's energy sector. This focus on delivering to the highest standards have received accolades from various government programs and industry bodies including the Central Electricity Authority (CEA) in India.



## Demonstrating manufacturing excellence

The Company continues to set the benchmark for manufacturing excellence, receiving several awards to this effect.



The former Union Minister for Heavy Industries, Dr. Mahendra Pandey, felicitated your Company's Dry Bushing Factory during BHEL Samvaad 3.0, for its commitment to the Atmanirbhar Bharat Abhiyan and the Make in India initiatives of the Government of India.



Varun Parker, Product Manager - Feeder Factory India - High Voltage, and Lokesh Patni, Manager - Quality Control – Transformers won the Champions of Manufacturing award at the Festival of Manufacturing to celebrate 10 Years of #MakeinIndia. This award was a recognition of their inspiring journey in manufacturing.



The Hitachi EnergyTEC training center was recognised by CEA under category I (Grade B) for training conducted on the operation and maintenance of transmission and distribution segments of the power sector for four years w.e.f 04 July 2023 to 03 July 2027.

Hitachi EnergyTEC has conducted nearly 200 trainings for more than 6,550 industry experts (greater than 10,000-man days of training) at its state-of-the-art experience center since its inception in 2019.

# Leading with precision

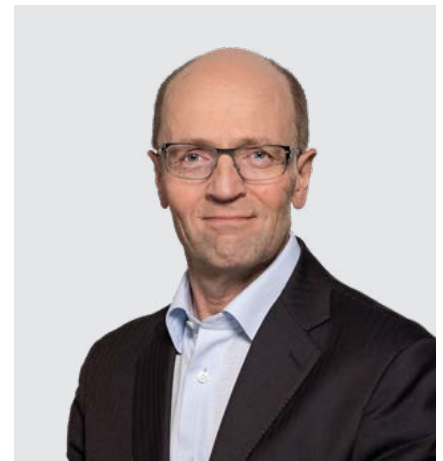
At Hitachi Energy India Limited, we are committed to driving pioneering advancements that inspire positive change. Our esteemed Board of Directors is a diverse group of experienced leaders, each bringing unique expertise and perspectives. Their collective wisdom, strategic guidance, and unwavering commitment to excellence are crucial in shaping our company's path as a leader in providing innovative, reliable, 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

# Confident leadership, purposeful direction

Hitachi Energy India Limited 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 (back row)

**Ajith Kesavan**, Head of Grid Automation  
**Rakesh Dwivedi**, Head of High Voltage Products  
**Karthik Krishnamurthi**, Head of Sales and Marketing  
**Ajay Singh**, Chief Financial Officer  
**Atul Pandit**, Head of Transformers  
**Akilur Rahman**, Chief Technology Officer

## From left to right (front row)

**Manashwi Banerjee**, Head of Communications  
**Ramkumar D**, Head of Grid Power Quality Solution  
**N Venu**, Managing Director & CEO  
**Saji S**, Head of High Voltage Direct Current  
**Neha Ahluwalia**, Head of Human Resources  
**Poovanna Ammatanda**, General Counsel and Company Secretary

# Corporate 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  
12<sup>th</sup> 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

## Registered Office

8<sup>th</sup> Floor, Brigade Opus,  
70/401, Kodigehalli Main Road,  
Bengaluru - 560 092

## Cost Auditors

### M/s. Ashwin Solanki & Associates

Cost Accountant  
801-2, 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,  
2<sup>nd</sup> Floor, Vivekananda Park  
Road, Near Seetha Circle,  
Girinagar, Bengaluru - 560 085

## Registrar and Share Transfer Agents

### KFin Technologies Limited

Unit: Hitachi Energy 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  
Druk PNB Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
JP Morgan Chase Bank, N.A.  
Kotak Mahindra Bank Limited  
Standard Chartered Bank  
State Bank of India  
The Hongkong and Shanghai Banking  
Corporation Limited  
Yes Bank Limited

## Corporate Identity Number

L31904KA2019PLC121597

# Sustainable energy solutions for a greener tomorrow

As a technology leader that is advancing a sustainable energy future for all, Hitachi Energy India Ltd. operates in four business units - Grid Integration Business Unit, Grid Automation Business Unit, High Voltage Product Business Unit and Transformer Business Unit. Your Company is committed to advancing India's energy system to be more sustainable, flexible and secure and collaborates with customers and partners to enable a sustainable energy future – for today's generations and those to come.

Hitachi Energy India Limited has a large set of products that operates within the energy sector, focusing on providing a wide range of products, systems, and services that enhance the reliability, efficiency, and sustainability of electricity grids. The products and services extend to industrial giants, data centers, public sector and state power utilities, railways and metro projects and various other key segments both in India and as export to other countries. The business operates on the back of a strong order book and an even better order backlog, sustainably showing growth in revenue and profitability across the years.





# Strategy and resource allocation

Hitachi Energy India Limited aims to grow sustainably and also profitably by expanding business operations. The Company is committed to delivering faster than market growth. In doing so, capital expenditure is increased on various business units; additionally, there is a focus to launch new products in digital and air-insulated switchgear and the Company is working on building local capabilities on e-Mobility and energy storage.

Hitachi Energy India Limited has increased its focus on certain business opportunities with industrial customers and intends to pursue a plan to have higher visibility in the digital market category.

In line with its belief that the climate change challenge faced today is bigger than one company or one nation, the Company leverages close synergies with members of global parent company on various projects - especially leveraging the digital expertise of GlobalLogic. Other partnerships include those in areas of smart energy and management solutions. These actions reiterate the importance your Company is placing on market penetration while adding value to customers.

Along with growth, the Company is also focused on sustainable practices as it puts net-zero and carbon-neutral practices at the forefront by making its offices carbon-neutral and also manufacturing sites heavily relied on renewable power. Your Company has reduced 50% emissions, 25% of fresh water and hazardous wastes and substances respectively in its journey to carbon neutrality. At Hitachi Energy India Limited, work-place safety is the first priority, with a strong HSE (health, safety and environment) function across the Company that works to achieve zero harm and no injuries. Your Company is also committed to creating an equitable workplace and an inclusive culture, taking steps to work towards gender diversity.





# Partnering for progress

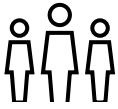
Hitachi Energy India Limited focusses on nurturing positive stakeholder relationships across the business ecosystem. As a company that has a presence in India for over seven decades, and one that is providing critical products and services to the power infrastructure of the nation, stakeholder relationships play a strong role in the way that the Company operates.

## Stakeholders

In today's dynamic energy landscape, success hinges on a collaborative ecosystem where your Company, as a global pioneering technology leader, partners with its various stakeholders. Engaging with them allows Hitachi Energy India Limited to understand their perspectives and align its strategies with their needs. The company supports a variety of collaboration structures to drive joint success.

These stakeholders, encompassing customers, employees, governments, investors, and more are companions in our purpose-driven growth. Together with stakeholders across sectors and geographies also listed in the Principle 4 of Business Responsibility and Sustainability Report ( BRSR). Your Company is advancing a sustainable energy future for all. Stakeholder engagement has been a catalyst of its progress with proactive support, communication and enhanced reliability and trust.





## Customers

- For your Company the customers are the cornerstone of its business, pushing us to constantly innovate and co-create for a cleaner and more efficient energy future.
- Your Company actively seek customer feedback through interactive platforms around technology tours, management interactions.
- We have regularly connected with our customers through need-based engagements.



## Employees

- Quarterly townhalls with our talented and passionate workforce to drive safety, quality and innovation culture
- Continuous learning through cutting-edge training programs, internal engagements, and diversity & inclusion initiatives.
- Annually employee engagement surveys, performance management and other initiatives.



## Governments and community

- We continue to collaborate with policymakers on platforms that foster dialogues that drive conducive policies that add social, environmental, and economic value.
- Through meetings, participation in industry forums, and occasion-based commitments, we routinely connect with the government, which is leading our key commitment to sustainability.
- As we encourage sustainability and inclusivity in the organisation, we collaborate with the community to take the message forward with our initiatives toward stem education and sustainability drive.



## Investor community

- Investors are our partners in driving long-term value creation for all stakeholders and society. They are enabling us to progress with purpose
- Your Company have followed transparent and proactive communication practices through our regular briefings, filings and reporting
- The Company continues to connect with its investors on a quarterly basis. In addition, your Company had an in-person meeting for the institutional investors and advisors



## Suppliers

- Your Company continues to collaborate with suppliers and partners through annual workshops, also implementing need-based sustainability initiatives through knowledge-sharing events and training
- Review Supplier Sustainability Development program with focus on carbon reduction
- Identify new vendors in scope and resources and provide sufficient training
- Profile SSDP as a key program and career path



## Industry associations

- Partnerships with industry associations and initiatives such as the Confederation of Indian Industry(CII), Indian Electrical and Electronic Manufacturer Association (IEEMA), CIGRE (Council on Large Electric Systems), India Smart Grid Forum (ISGF) enable industry-wide collaboration at national and international forums, address critical issues, and forge strategic alliances, creating a growth environment for the industry at large
- Various cadence communication varying from monthly to quarterly timeframes; we continue to engage with our stakeholders typically through in-person, physical events, and also virtual formats
- A detailed description covering the various stakeholders' initiatives and engagement programs are disclosed in principle 4 to the business responsibility and sustainability report forming part of the integrated annual report 2023-24

# Anticipating challenges, seizing opportunities

Hitachi Energy India Limited's Enterprise Risk Management (ERM) function facilitates early identification of emerging risks and associated opportunities and oversees the diligent execution of risk mitigation and counter measure plans.

The purpose of the Company's ERM programme is to facilitate visibility of risks and initiate cross-organisational dialogue to stimulate prioritisation, speed of decision making and general accountability when it comes to addressing material changes in external/internal environment; while considering company's organisational context (purpose, objectives, strengths & weaknesses).

The ERM function's activities include but are not limited to

- Design and facilitation of periodic enterprise risk assessment campaigns.
- Triggering of enterprise-level responses to prioritised risk themes.

An annual risk campaign is conducted that identifies and aligns key risk themes and actions that need to be taken across stakeholder groups. The risk management team also facilitates the mitigation of complex, cross-functional risk, for which ownership is not evident.

Your Company's ERM provides an opportunity to escalate the need to take actions outside of regular business/functional risk management activities throughout the year. The target risk portfolio are unattended action themes with enterprise-wide implications, requiring cross-organisational collaboration on one hand but a clear designation of accountability on the other. Throughout the year, prioritised remediations proposals are presented to the country management team and the country risk management committee to approve individual implementation projects.

## Information Security Management System (ISMS)

Your Company has an information security organisation in place, which consists of a dedicated team of information security professionals and a country-level cybersecurity manager works under the leadership of the head of cybersecurity.

Hitachi Energy Group has implemented ISMS based on the ISO/IEC 27001 standard, which provides a systematic framework for building, implementing, and maintaining information security policies and procedures. The ISMS covers all internal data handling activities, such as human resources security, IT asset management, physical security, operational security, and external considerations like legal/regulatory compliance, supplier screening, and data protection regulations. The ISMS also guides the risk-based approach to identifying, assessing, evaluating, and treating cybersecurity risks, as well as the information classification, user awareness, access control, cryptography, network/infrastructure, resilience, and disposal practices.

## Cybersecurity certifications

The Hitachi Energy Group aims to be a leader in certifications relating to cyber- and information security, and to continually improve its cybersecurity posture. Hitachi Energy India Ltd. has achieved ISO/IEC 27001 certification for the organisation, as well as certifications to IEC 62443 for its service operations, product development, systems, and products. IEC 62443 is an internationally recognised series of standards that focuses on cybersecurity for operational technology (OT) in automation and control systems. Hitachi Energy Group also maintains an overview of other cybersecurity standards and their relationship to ISO/IEC 27001 and IEC 62443.



## Product cybersecurity

Hitachi Energy Group takes product cybersecurity seriously and is focused on taking all measures to secure a product from external threats. Hitachi Energy Group has established a Cybersecurity Council that takes the lead on protection of products and defines protective cybersecurity release requirements and common security standards. The goal of the Cybersecurity Council is to establish strong governance and risk management to minimise cybersecurity risks in your Company's product offerings.

## Cybersecurity compliance

Hitachi Energy Group is fully committed to comply with applicable cybersecurity laws, directives, acts, regulations, etc., especially in the domain of critical national infrastructure. Hitachi Energy Group has established a Cybersecurity Compliance Team that maintains an overview of all the regulations relevant and applicable to the respective countries entities and manages programs to ensure compliance with respect to its IT, cybersecurity, corporate functions, system and product offerings. Hitachi Energy India Ltd. tracks, measures and reviews cybersecurity to ensure compliance with Information Technology Act 2000 and CERT-In directive 2022.

## Operational Security

Hitachi Energy Group follows industry best practices such as Information Technology Infrastructure Library (ITIL) 4 and the National Institute of Standards and Technology (NIST) recommendations to effectively manage detected cybersecurity incidents. Hitachi Energy Global has developed and implemented a Cybersecurity incident management program operated by their Cyber Defense Center (CDC). All security incidents are recorded, analyzed, confirmed, classified, and prioritized by the team and appropriate remediation actions are taken in response. The impacted data, service, or application is restored/recovered. Following the recovery, an in-depth evaluation is conducted and recorded to help avoid similar situations in the future. Security incident evaluations may result in immediate operational procedure updates, reconfiguration of IT systems, implementation of additional controls, end user awareness training, and other responsive actions.

## Supplier security

Hitachi Energy Group applies stringent protocols to all products, systems, services, and data, and expects its suppliers to support and complement its efforts to keep its systems and information safe. Hitachi Energy Group has implemented a vendor security assessment and IT security risk assessment process, which must be successfully completed before onboarding a new supplier. At Hitachi Energy India Limited all the contracts with suppliers include strict confidentiality obligations, as well as detailed data protection and security obligations for processing personal data.

# Empowering growth with comprehensive energy solutions

## Outlook

Your Company is well-positioned to fulfill the demand arising from greater investments in capacity enhancement and digitalisation by utilities, manufacturing, rail, e-mobility, and data centers. A wide-ranging product portfolio with a good mix of traditional and digital products and solutions - traction transformers, dry-type transformers, switchgears, SCADA systems, energy management systems, substations, power electronics-based HVDC, Flexible AC Transmission Systems (FACTS), city reliable power infeed, grid automation, microgrids, Battery Energy Storage Systems (BESS), electric systems for Green Hydrogen, Integrated Fleet Charging for EVs and electric buses, AI-ML based Asset Performance Management, Distributed Energy Resources Management, augmented by Hitachi's world-class digital technologies ensure strong business potential for your Company.

The rise in generation capacity from varied renewable generation set-ups also requires enhancement of the transmission network. As per the Central Electricity Authority (CEA), India requires a substantial investment of ₹ 4.75 trillion by 2027 for developing its transmission infrastructure, including lines, substations, and reactive compensation. Goldman Sachs estimates that the transmission capex is expected to have the second largest share of over \$500 billion of the total energy transition capex requirement of \$1.7 trillion over the next 25 years. This presents a significant opportunity for the Company's core T&D business.

Currently, half of all HVDC links in India transmit power with Hitachi Energy technologies. With one HVDC project expected every year and two HVDC projects to be awarded in the next 12 months, your Company is well-prepared to meet such projects with proven expertise enabled by local manufacturing capacity.

For the offshore segment, a comprehensive range of products, solutions, and services help reduce costs, increase safety, and improve efficiency, including an innovative offshore portfolio of transformers that can operate in environments with salinity and hydrocarbon, extreme weather conditions like hurricanes, typhoons, winds, etc.

With greater focus on power system flexibility to reach India's renewable energy targets, your Company's innovations in products and systems ably help manage power variability from renewable sources. Impetus to BESS and smart grids offers us an advantage as early entrants in this space.

Hitachi Energy India Limited has been a long-standing trusted partner to the transport sector in India offering high-tech products and solutions for electrification of Railways, Metro projects, High-speed rail and e-mobility. From Energy Traction Transformers for Railways to power automation for metro rail systems, and innovative flash and fleet charging solutions Grid-eMotion™ Flash and GridMotion™ Fleet, the Company's seamless solutions power sustainable transport. With a goal of 100% rail electrification, rolling stock upgrade, and 1,058 km of metro rail network in 27 cities offering an additional area of play, your Company sees immense potential to further enable clean mobility in India.

Data centers are set to double capacity by 2025. Hitachi Energy India Limited has the capability to power data centers of the future with reliable power and eco-efficient solutions. Moreover, tighter industry ESG pledges and greater cloud adoption necessitate rapid digitalisation. Your Company's offerings of sustainable digital and power quality products & solutions ensure reliability, increase efficiency, and productivity through system design.

The Company has a complete range of power and distribution transformers and other power equipment, that supports utilities and industrials to maximise return on assets investment by ensuring high reliability, reducing life cycle costs, and ensuring optimised performance while lowering environmental impact. From power islanding solution to ensure reliable quality power for the world's largest oil refinery in Gujarat to digital transformers in India's oldest steel plants, digital substations for round-the-clock power to IT parks, your Company is energising the pace of industrial transformation.

## Strategic focus and future orientation

Hitachi Energy India Limited has shown growth year over year in terms of revenue from operations over the year and has grown at a CAGR of ~13% from FY 2019-20 to FY 2023-24 by adding more products into the catalogue and expanding the manufacturing capacities to meet the customer demands.

As a part of the strategy for sustainable growth Hitachi Energy India Limited takes initiatives to expand the customer base and build new and advanced products that can help the customers have uninterrupted power supply by adopting sustainable operation practices.

The strategy adopted by Hitachi Energy India Limited to grow business sustainably can create value in the short, medium and long term.

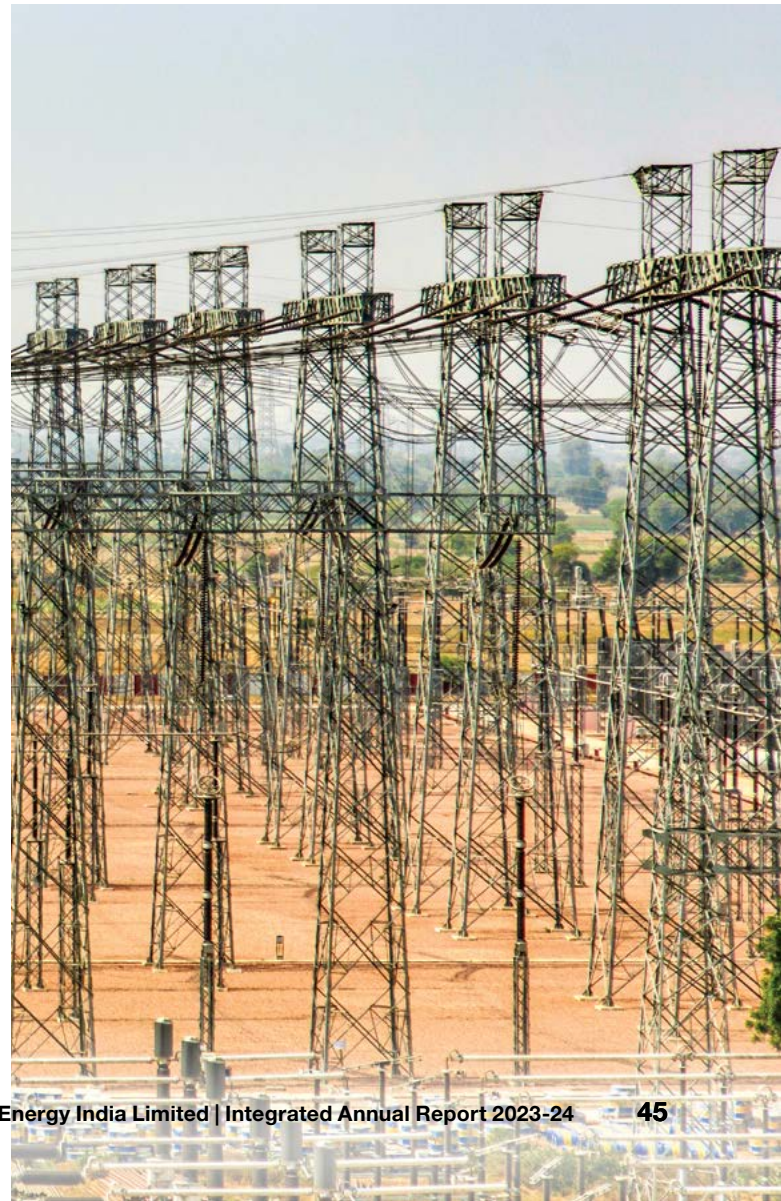
### Some of the key steps proposed by your Company to achieve greater access to the ever-growing market are:

- Investments focused on localised portfolio for emerging segments like E-Mobility, BESS and Hydrogen, also towards enhancing existing portfolio, exploring mergers and acquisition, and expanding sales portfolio.
- Stamping authority of the growing market can be achieved by partnerships with other companies, modification of business models as your company keeps growing, expanding the channel operations and through strategic market capture.
- Doubling up the digital and services from the current levels by 2030 is another strategy that has been tabulated and the results have started to reflect as your company has expanded its business in last couple of years.
- Organising Energy and Digital Workshops (EDW) across the various zones of the country, where several strategic customers from utilities, transport, industries, data centers, new energy business, renewables, power generation, etc. are invited and educated about our products and services in India. The events of same magnitude are carried on in neighboring countries like Sri Lanka and Bangladesh to attract more customers.

Hitachi Energy India Limited is also focusing on its own operations to make them sustainable and efficient:

- As a pioneering technology leader Hitachi Energy India Limited collaborates with customers and partners to enable a sustainable energy future – for today's generations and those to come.
- The Company has made sure that the governance is smoothly managed for growing operations and speed of decision making is ramped up, the management is empowered, and risk management is in place.

The practices and strategy going ahead will lay the foundation stone to attract new talent to deliver upon the projects, create value added products, bring in innovation in the technology and research and development for new products. The strategy will be instrumental in implementing sustainability in the operations through innovative practices.



# Integrity and transparency at every level

The Company's governance structure plays a crucial role in shaping the decision-making process, ensuring that it is aligned with our strategic objectives and the interests of all the stakeholders at large. Our governance structure, aligned with the global Code of Ethics and Business Conduct, is crucial in supporting the delivery of our strategic objectives while ensuring ethical conduct and transparency at every level. Further, our corporate governance framework also promotes ethical practices throughout the organisation, while transparent communication ensures effective engagement with Stakeholders. Your Company is also certified for ISO:37001: 2016 for Anti-bribery management system.

Please see Corporate Governance Report which forms part of this Integrated Annual Report 2023-24.







# Financial capital

Hitachi Energy India Limited has always placed importance on financial health as a parameter of business success. The efficient management of financial capital plays a significant role in demonstrating stakeholder value, stability as a business, continuity of operations and adds to the creation of value on all other fronts.



The Company's focus on financial capital has seen results through a focused strategy of business growth, operational efficiency, fostering synergies within the ecosystem, and driving innovation.

Your Company has created financial capital through its leading position in energy transition and history of technological expertise. With energy being the backbone of the economy, the Company has pursued a focused strategy based on customer needs. Diversifying the portfolio of products and services, enhancing digitalisation and keeping track of changing customer demand helped improve the bottom-line. Along with this, granular monitoring of operational complexity and pursuit of efficiencies helped in margins and pursuit of growth.

Funds generated from the Company's operations and financing activities are utilised to deliver long-term sustainable growth and value creation to its stakeholders. Hitachi Energy India Limited will continue investing in capex expansion, supporting its new-age manufacturing sites and supply chain, which will enable your Company to deliver superior products to its customers.

## Growth trajectory

Hitachi Energy India Limited is seeing growth from key factors that are fundamental to market and economic growth. The transition of every industry towards low-carbon operations or renewable energy resulted in orders from renewables and power quality. Digitalisation as an overarching trend was instrumental in growth from sectors like data centers and demand was also seen from electric mobility due to increasing urbanisation. The Company also expanded its position as a supplier for export markets like Asia, Europe, the US and Africa. With its digital offerings and enhanced power consulting capabilities, your Company is firmly on a growth path, partnering other industries in their transition to net zero.

**Inputs** (₹ in Crores) | as on March 31, 2024

**1,359.9**

Net worth

**150.0**

Short term borrowings

**67.6**

CAPEX (For the year ended March 31, 2024)

**Outputs** (₹ in Crores) | as on March 31, 2024

**5,246.8**

Revenue

**6.7%**

Op EBITDA

**12.7%**

ROE

**29,547.2**

Market capitalisation

#### Total orders

Your Company generated total orders of ₹ 5,536.3 Crores in FY 2023-24, increased by ~14% YoY over the corresponding period for FY 2022-23, while excluding HVDC orders.

#### Revenue

The revenue for FY 2023-24 stood at ₹ 5,246.8 Crores with a 17% increase during the same period last financial year.

#### Net Profit

Your Company's net profit stood at ₹ 163.8 Crores against ₹ 93.9 Crores in FY 2022-23.

#### Order Backlog

Order backlog was at of ₹ 7,229.5 Crores at year-end.

#### Dividend

The Board has also recommended an equity dividend of 200% amounting to ₹ 4 per share of face value ₹ 2 each.

#### Operational EBIDTA

At ₹ 350.2 Crores or 6.7% Operational EBIDTA was a result of a favorable revenue mix, operational excellence and digitalisation efforts.

#### Profit Before Tax

Profit before tax stood at ₹ 221.7 Crores, up 69.5% YoY.

#### Profit After Tax

Profit after tax was at ₹ 163.8 Crores, up 74.4% YoY.

#### Debt and Interest

Your Company's current ratio was at 1.16 and interest coverage ratio at 5.31, showing strength in its balance sheet and its ability to maximise capital. Your Company's debtor turnover ratio was 3.44, indicating its robust collection processes. However, your Company is also discussing potential repayment mechanisms to clear historical overdue.

Inventory turnover stood at 3.99. Net profit margin was at 3.1 percent.

In FY 2023-24, the interest cost borne by your Company was ₹ 46.6 Crores. As on March 31, 2024, your Company had a net debt of ₹ 22.0 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.

#### Credit Ratings

The company's consistent ratings signify its ability to meet financial obligations and inspire confidence among investors and stakeholders.

Long Term Rating	Short Term Rating
A1+	AAA/Stable



# Manufactured capital

Hitachi Energy India Limited with its targeted CAPEX is focusing on expanding manufacturing units across all four business units, doubling up digital and services and building partnerships with strategic partners to strengthen its portfolio. With the expansion of manufacturing units, the Company will be able to scale its production multiple folds and meet the order backlog.



The Company has invested more than ₹ 250 Crores in the last three years to expand its manufacturing base. Hitachi Energy India Limited is constantly evaluating its current infrastructure and in the near future have plans for adding to its existing capabilities. The expenditure on capital expansion will be instrumental in meeting the customer orders and delivering high value products successfully and on time.

## FY 2023-24 key projects and impact

### Renewables

Ayana Renewables: 300MW Ebos package -Kanasar -Bikaner-II & 400/33 kV AIS SS -Bikaner Solar

Hitachi Energy India Limited through this project will help the client evacuate 300 MW of renewable energy from solar module to the grid at Bikaner, Rajasthan and contribute in India's carbon neutral and energy transition initiatives by providing solutions to green energy market.

### Data centers

#### For India's largest Hyperscale Data Center Provider

- 4x90 MVA 220/330kV Power Transformer for a leading technology giant for their Hyderabad data center: HYD 01 & HYD 11 and PNQ06 Data Centre
- 2X220kV GIS Project for a leading technology giant for its Pune data center, PNQ04 and PNQ06

Hitachi Energy India Limited has supported the customer at two different locations, Hyderabad and Pune by providing Power Transformers and GIS Support. By maximising electrical system resilience, improving overall sustainability of the data center and boosting profitability, we've built our reputation on solving real-world challenges, helping to unlock our partners' and customers' full power potential.

## Industry

### India's largest battery manufacturer

220/11kV GIS Substation at KIADB Devanahalli and 11 x 2.5MVA, 11/0.433kV & 24 x 2.5MVA, 11/0.4kV Dry Transformer for Li-Ion Cell, Pack & Module Mfg. plant.

Hitachi Energy India Limited will provide GIS Substation and multiple transformers to customers for the greenfield lithium-ion cell manufacturing project at Bangalore. The project will provide Li-ion cells for automotive and industrial applications, helping the client to reduce fossil fuel consumption.

### India's fastest growing and most admired sustainable technology led EPC

22x3.25/4MVA 33KV, 20x3.75/4.5MVA 33kV & 20x3.25/4MVA 6.6KV Dry DT - a EPC A/c a global leader in semiconductors, Sanand, Gujarat

The first India-made semiconductor chips will roll out from end user packaging unit in Gujarat's Sanand in the first half of 2025, which would be used for data centers, smartphones, notebooks, and Internet of Things (IoT) devices. Hitachi Energy provides over 60 Dry Type transformers for the plant that would revolutionise the semiconductor industry in India.

## Transportation

### Leading railway locomotive manufacturer

157 X LOT 6500 Traction Transformer

The technology and market leader in power grids will deliver its transformers to Indian Railways, which aims to become a net-zero carbon emitter by 2030. This will help Hitachi Energy to contribute to accelerating electrification and decarbonisation of the world's transportation and rail sectors.

Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. In the Chennai metro rail projects won the order to supply

- CRP, SAS & RTU- 3 & 5
- 132 kV GIS
- 6x42 MVA, 110/27 kV, 1 Ph; & 6x40 MVA, 110/33 kV, 3 Ph Trafos.: Phase II Corridor – 3 & 5
- 03x2MVA, 07x1.6MVA, 63x1.25MVA, 09x500KVA, 33x315kVA, 04x200kVA Dry Type Transformer - phase-II C3 & C5

The project aims to not only inter-connect existing metro networks for providing a seamless ride to commuters but to cope with increased traffic congestion and road accidents in Chennai. In addition, regional economic development will be promoted by expanding the mass rapid transportation system in the Chennai region. Hitachi Energy India Limited contributes to the sustainable development of the transportation system making lives of people easy to commute across places.

## Transmission

### Leading integrated power transmission developer

600MVAr Fatehgarh-3 STATCOM

Hitachi Energy India Limited would be providing customer with a STATCOM for the Fatehgarh-III project that will evacuate 20 GW Solar Power to the grid. The first STATCOM implementation by a private company in India is also a landmark in Hitachi Energy India Limited's portfolio as they bring in a quality product helping the customer in contributing toward clean and renewable energy to the grid for India's energy transition.

### National power transmission utility's Manesar operations - NTAMC & RTAMC SCADA replacement

NTAMC (National Transmission Asset Management Centre) has been established for centralised remote control and monitoring of the grid substations which are geographically located all across India. Further, all Regional Headquarters have RTAMC (Regional Transmission Asset Management Centre). RTAMC of NR-1 region is co-located with Main NTAMC and similarly, RTAMC of SR-2 region is co-located with Backup NTAMC. Hitachi Energy India Limited has enabled India's pioneer transmission body to upgrade its SCADA system enabling them to have modern communication and network control to manage the National Grid of the Country.





# Human capital

Hitachi Energy India Limited strives to provide a safe, inclusive and conducive working environment for every employee. The diverse, experienced and talented employees are your Company's strength in this VUCA (Volatile, Unpredictable, Complex and Ambiguous) world. They play a critical role in driving your Company's operations, delivering and growing the business with their passion, excellence and innovative spirit.

Hitachi Energy India Limited believes in attracting the right talent to position the organisation for growth, and in creating a conducive environment for employees to perform at their best, learn and grow their careers.



## **Connecting people to potential and performance: Value-based performance management**

For Hitachi Energy India Limited, sustainable growth is at the heart of business. In order to drive sustainable growth, the Company champions people, focusing on building an inclusive work environment that values diverse perspectives. Your Company's efforts are led by prioritising both customers and society, based in a strong set of values – harmony, sincerity and pioneering spirit.

To nurture an inclusive yet performance-driven culture, Hitachi Energy India Limited has put in place a comprehensive system that encourages employees at a holistic level, considering their competency as well as their behavior. New value-based competencies were launched which include expected behaviors relevant to all Hitachi Energy India Limited employees, irrespective of roles they play in the organisation. These competencies are connected to the performance management program, linking performance to business goals and culture goals. These competencies are designed based on your Company values – harmony, sincerity, and pioneering spirit. They embrace both the Company's business strategy and people strategy that includes elements like DEI (Diversity Equity and Inclusion) and growth mindset.



### Harmony

#### People Champion

Cultivate an inclusive work environment based on safety and trust, which values diverse perspectives and encourages speaking up and growth so that we can perform at our best.

### Sincerity

#### Customer & Society Focus

Focus on societal challenges, always act honestly, and be accountable for contributing to society through collaboration with internal and external stakeholders.

### Pioneering Spirit

#### Innovation

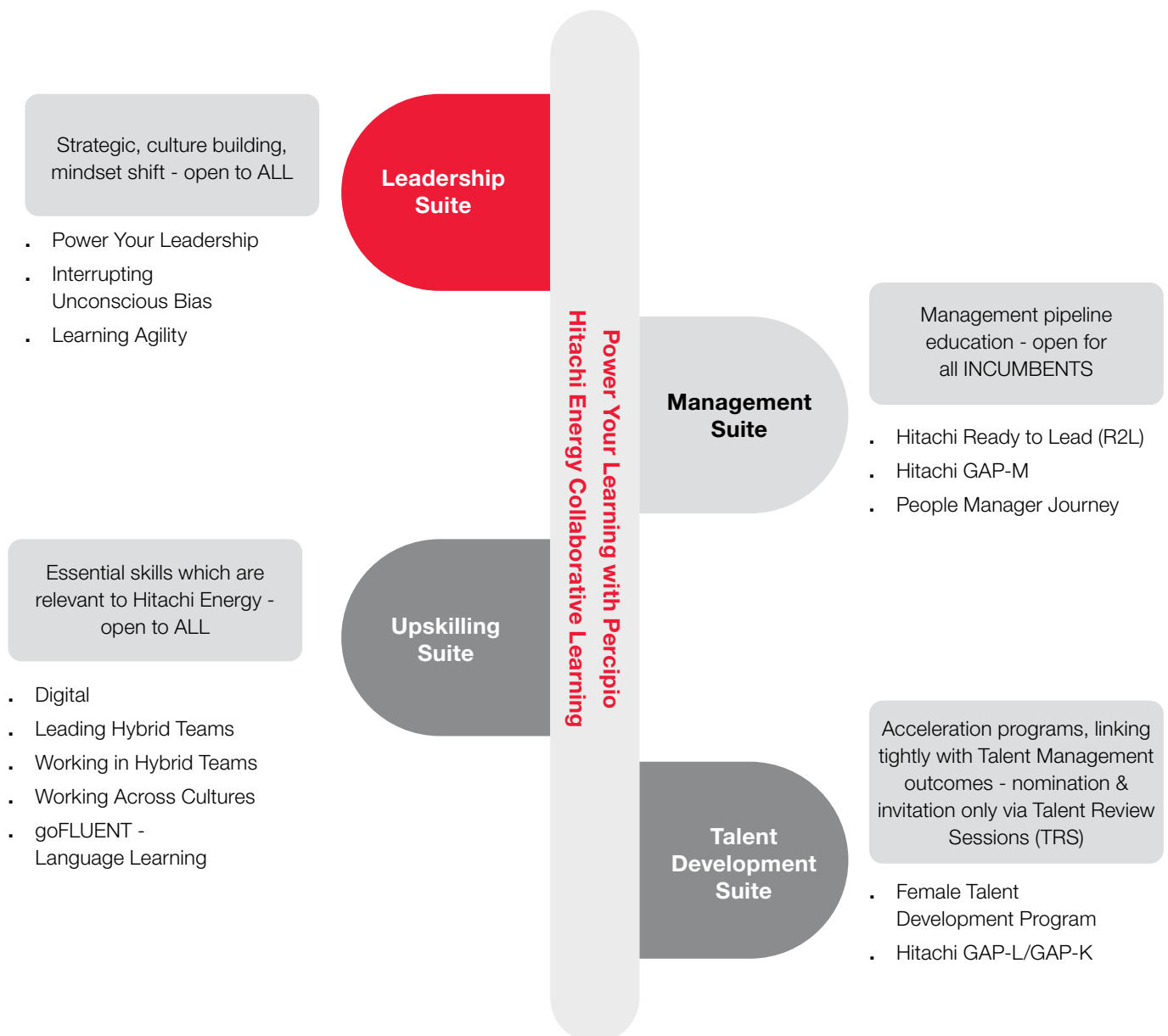
Drive innovation with a passion for learning, challenge the status quo and respond with speed to create new value.



## A culture of lifelong learning

Creating an environment of growth for the employees of your Company is attained by fostering a culture of lifelong learning. Hitachi Energy India Limited believes in the transformative power of continuous education. This culture of learning drives employees to chart their own personal learning journeys, aligning with both present requirements and future aspirations.

Your Company provides a diverse array of learning avenues, including digital platforms and global and local programs. Career paths can be charted and navigated from the moment someone joins as an intern to taking on the mantle of leadership. The Company offers several learning avenues, including digital platforms equipped with global and local programs, in-person trainings, on the job trainings, and development programs in association with recognised leadership institutes.



Over 400 leaders benefited from your Company's in-house upskilling programs, that equip them with the tools to excel in their roles, collaborate with their teams and drive innovation within the organisation. Please refer to learning and development section of MD&A forming a part of the Integrated Annual Report 2023-24.

Various development programs like People Manager's Journey, Ready to Lead, GAP – M, LEAD programs cater to leadership development at various levels of the organisation.

Committed to increasing the diversity in the workforce, the Company has also introduced training programs designed to nurture the pipeline of women leaders from within the organisation. ExcelHer is a program that nurtures and empowers women leaders, providing them with tailored support and development opportunities to thrive in their careers at mid-level. In addition, Female Talent Development Program (FTDP) is another leadership program aimed at senior level women leaders.

At Hitachi Energy India Limited, continuous development is fostered through networking and exposure to leaders and stakeholders at all levels. This is achieved through talent connect programs, coaching, mentoring and also fireside chats with leaders. Please also refer to Material developments in human resources / industrial relations section of MD&A and Principle 3 of BRSR forming a part of this Integrated Annual Report 2023-24.

#### Total employee base:

S. No.	Particulars	Male	Female	Total
<b>Employees</b>				
1	Permanent	1,625	185	1,810
2	Other than Permanent	53	11	64
<b>Workers</b>				
4	Permanent	562	3	565
5	Other than Permanent	491	41	3,532
<b>Permanent (1+4)</b>		<b>2,187</b>	<b>188</b>	<b>2,375</b>





# Social and relationship capital

Hitachi Energy India Limited is committed to being a responsible corporate citizen and invests in sustainable and inclusive development of the community's social capital.



The Company follows a sustainable model for community and societal development. The approach incorporates certain principles that are woven into the corporate social responsibility (CSR) programs. These include:

- Innovation for multiplier impact to communities/society
- Role model for others to replicate and expand benefits
- Giving support towards sustaining and maintaining, not just one-time funding
- Employee involvement (volunteering)

To determine where the Company's resources are dedicated, social surveys are organised through NGO partners. Accordingly, your Company's Corporate Social Responsibility (CSR) efforts are dedicated to:

- Promote gender equality and empower women in the core engineering workforce
- Endorse education, employability, and 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

## Education

Your Company is supporting over 200 girl students hailing from Tier II & III cities across the country, pursuing engineering courses in BE/ B. Tech for four years. Students from families facing economic hardship but with high aptitude are covered in the program, where they receive a yearly scholarship along with tools like laptops and several trainings spread over four years on soft skill development, technical and employable skills, mentoring for career goals, offsite training, factory visits, internship and employment opportunities to eligible candidates. Women employees from the Company are actively involved in mentoring and conducting training for the students.

Hitachi Energy India Limited has also introduced another program for 500 girl students who are from economically backward families in Tier II & III cities pursuing STEM courses in 11<sup>th</sup> Grade. The program covers the girl student's education career, starting from pre-university up to the completion of Undergraduate courses.

The students receive a yearly scholarship, along with one-on-one mentoring, trainings in soft skill development, career planning and technical skills.



The Company has also provided digital teaching facilities at five Government schools in Gujarat, under the government's 'Sarva Siksha Abhiyan' initiative. It has converted two classrooms in each of the five government schools in the villages of Gujarat for digital teaching by providing large screen monitors with interactive CPU and also refurbished the classrooms. The organisation is also providing drinking water and has upgraded the campus and other facilities at the Government School in Maneja, Vadodara. The Company has also developed 10 'Smart Classes' at five Government schools in Vadodara with digital teaching and upgraded classrooms.

## Healthcare

Your Company has contributed to addressing different facets of healthcare across locations in the country. These include:

- Deployed 50 mobile deep freezer deceives for vaccine/ immunisation at Tamil Nadu & Karnataka Govt PHCs
- Funding emergency medical/ surgical requirements for underprivileged children across the country
- Developed and maintained Hematology lab at Govt Hospital at Vadodara
- Two ambulances with critical care equipment at Vadodara
- Maintaining fully equipped pediatric ICU facilities at Halol and Mysuru



## Environment and urban afforestation

In recognition of its responsibility towards the environment, your Company has undertaken key initiatives during the year. These include:

- Urban forest developed and being maintained with 6,000 trees over 10,000 square feet area in Vadodara
- Green cover through planting at traffic circle at Vadodara, including ongoing maintenance
- Carbon neutral schools – the Company has installed 8kW of solar power at government schools including maintenance for three years
- Sustainability- provided drinking water and refurbished washrooms and campus at government schools
- Green cover - developed two kms of road and metro median at Whitefield, Bengaluru and has commenced development of green cover of 1 km along National Highway road median opposite Brigade Opus.
- Sustainable energy – installation of solar power at three government public healthcare centres at Tamil Nadu (where mobile Deep freeze deceives are deployed)
- Smart traffic signals for traffic management and pedestrian safety at Kodigehalli junction, opposite Brigade Opus

## Community support

The Company is actively supporting communities in the locations that it has operations. Among the initiatives are:

- Support for design and development of lab infrastructure for research scholars
- Industry training for academics
- An innovation hackathon was conducted at Government Universities at Chennai, Warangal, Roorkee, Kharagpur and Anand.
- Development of village road in Mysuru

## Smart infrastructure

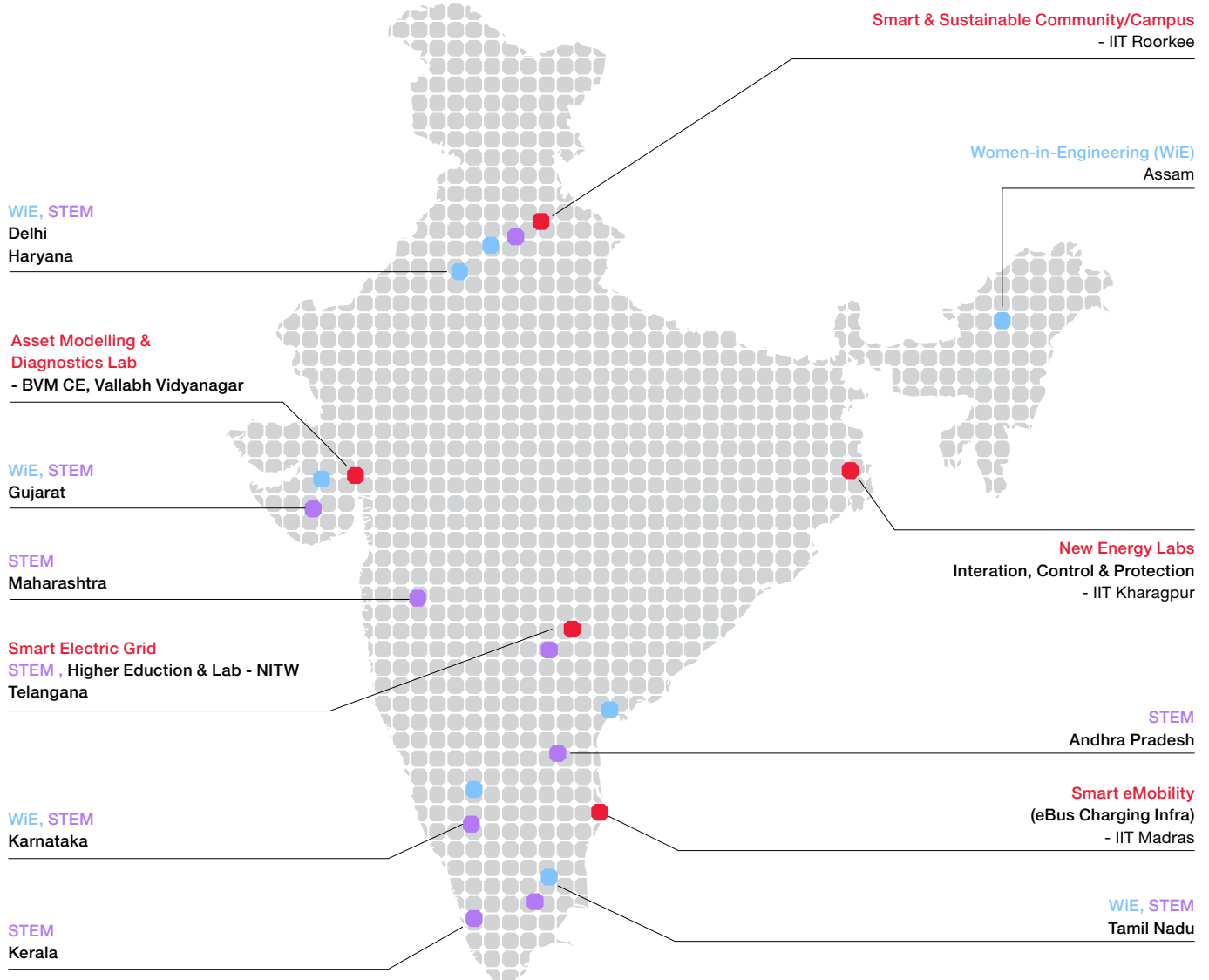
Your Company is supporting educational institutions such as NIT Warangal, IIT Roorkee, IIT Kharagpur, IIT Madras and other top-tier universities by developing smart and digital laboratories under various areas of electrical engineering applications to support Masters and Research Scholars. It is conducting hackathons at Government Universities to promote sustainable energy for all, felicitating winners with cash rewards and sponsoring winning projects. Your Company is sponsoring interactive industry-academia programs by inviting students to Hitachi Energy India Limited's factories/ business locations for technical trainings. It has provided e-carts at several Universities for convenient in-campus commute of students and faculty members, thereby reducing the use of personal vehicles and CO<sub>2</sub> emissions.

## Innovation platforms for academic institutions, diversity

Hitachi Energy India Limited has invested in partnerships with academia that encourage innovation, research and diversity in STEM. The company's programs span across India and include:

- Live lab for awareness, education, research & innovation
- Real-life systems/ operations in campus
- Innovation platform for students, researchers, faculties & industries
- Ideation through hackathon, internship, joint projects
- Industry expert lectures, faculty industrial visits
- Holistic structure for encouraging/supporting Women in Engineering - Education to career development
  - With NIT Warangal, the Company has developed a 'Smart Grid Lab' and continues to support and maintain it. This includes funding of four PhD scholars for continuous upgradation of lab and to mentor other students. An INNOTHON event was conducted with cash rewards to winners, and two e-carts were provided to reduce CO<sub>2</sub> emission at the campus.
  - At IIT Roorkee, the Company developed the 'Collaborative Monitoring & Analytics Center'. The lab is designed to monitor, simulate, analyze and control data from 22 locations of substations in the campus. It is also funding two PhD scholars for continuous upgrade of lab and to mentor other students and has provided two e-carts to reduce CO<sub>2</sub> emission at the campus. A hackathon was conducted with cash rewards.
  - At IIT Kharagpur, the Company is developing a 'New Energy Control & Protection Lab' and is augmenting the relay lab with a modified layout.
  - At IIT Madras, the Company has invested in 'Smart e-mobility' for the development of charging infrastructure.
  - At BVM College of Engineering, Anand, the Company has invested in 'Asset Modelling & Diagnostics Lab' for the development of lab and use cases.





Source: Surveyofindia

[https://surveyofindia.gov.in/webroot/UserFiles/files/1\\_16%282%29.pdf](https://surveyofindia.gov.in/webroot/UserFiles/files/1_16%282%29.pdf)

Map not to scale and for representation purpose only

## Customer engagement

Hitachi Energy India Limited's key customers are utilities, industries, renewable generators, conventional generators, data centers and transportation customers like railways and metro.

The Company's flagship series of customer events is held each year under the banner of 'Energy and Digital World' workshops organised across the country to brief them on the new products and services that Hitachi Energy India Ltd. has to offer. Such events also reaffirm confidence in the customers to rely on Hitachi Energy on the existing products that they have and include the prospect of installing our products at their base when they tend to expand.

Customer engagement is also high through direct interaction by the Company's sales and marketing team that maintains

close relationships with the customers and their organisation. As a company that believes in maximising customer relations, the sales team is responsible to enhance the customer experience by appraising them on the various expansion possibilities in case of introduction of new policies that aids project from the government, multilateral agencies, etc.

The marketing and sales team also does a detailed market study on the customer trends and individual customer career movements, in order to keep connected and prepared. Such exercises like studying utility moves and informing about policies drafted to support them, budgets and expansion plan of railway and metro, informing new data centers about the available products from Hitachi Energy India Limited and moving to renewable customers with our advanced products, tend to increase customer confidence and strengthen their trust on the company, helping it to expand business.

## Supplier engagement

The Supplier Sustainability Development Program (SSDP) is a supplier engagement program that enforces the Company's commitment to work only with those suppliers that uphold human rights and decent working conditions, ensure safe and environmentally sound operations and comply with relevant regulatory requirements in supply chain. 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 2023-24, as a part of supplier sustainability development program, the Company assessed 14 suppliers within India. Further during the year, the Company has been able to reduce the risk level of previous years' 14 suppliers to Low Risk. In addition, one supplier was de sourced due to non-compliance of the Hitachi Energy Supplier code of conduct.

## Employee engagement

At Hitachi Energy India Limited, people form the heart of the operations, and have been the solid core for the past seven decades. As a company that is leading the energy transition, with technologies that re-shape the power industry and its impact on every other industry, the Company remains an employer of choice. Committed to delivering meaningful employee experiences and empowering the workforce, the



Company attracts and retains top talent to add customer value and drive growth. Your Company conducts annual employee engagement surveys and value-based performance management to ensure a safe, inclusive and conducive working environment for every employee.

Besides the fundamental focus on health and safety, the Company is also advancing diversity, equity and inclusion (DEI) for a sustainable tomorrow. The sustainable energy future rests on its employees, and Hitachi Energy India Limited prioritises the safety, wellness, and career growth of its people as a prized asset, to develop innovative technologies and serve customers.

## Government

Your Company's overarching vision is firmly inline with the Government's vision for India's net zero journey and it works in close conjunction with key public sector units to drive the energy transition narrative in the country.

## Industry

Your Company continues exploring greater synergies and collaborative partnerships with industry and technology implementation partners. To innovate and co-create next-generation eco-efficient solutions that will address future challenges and accelerate the power system ramp-up in the transition towards a carbon-neutral energy system. Furthermore, Hitachi Energy India Limited participates in various prestigious forums to foster engagement and collaborative avenues.

## Media

Hitachi Energy India Limited constantly engage with external media by sharing all relevant information through various medium like press releases, event notes or direct meetings with spokespeople. Your Company ensures that the media is been updated on all new developments of the Company in India as well globally.

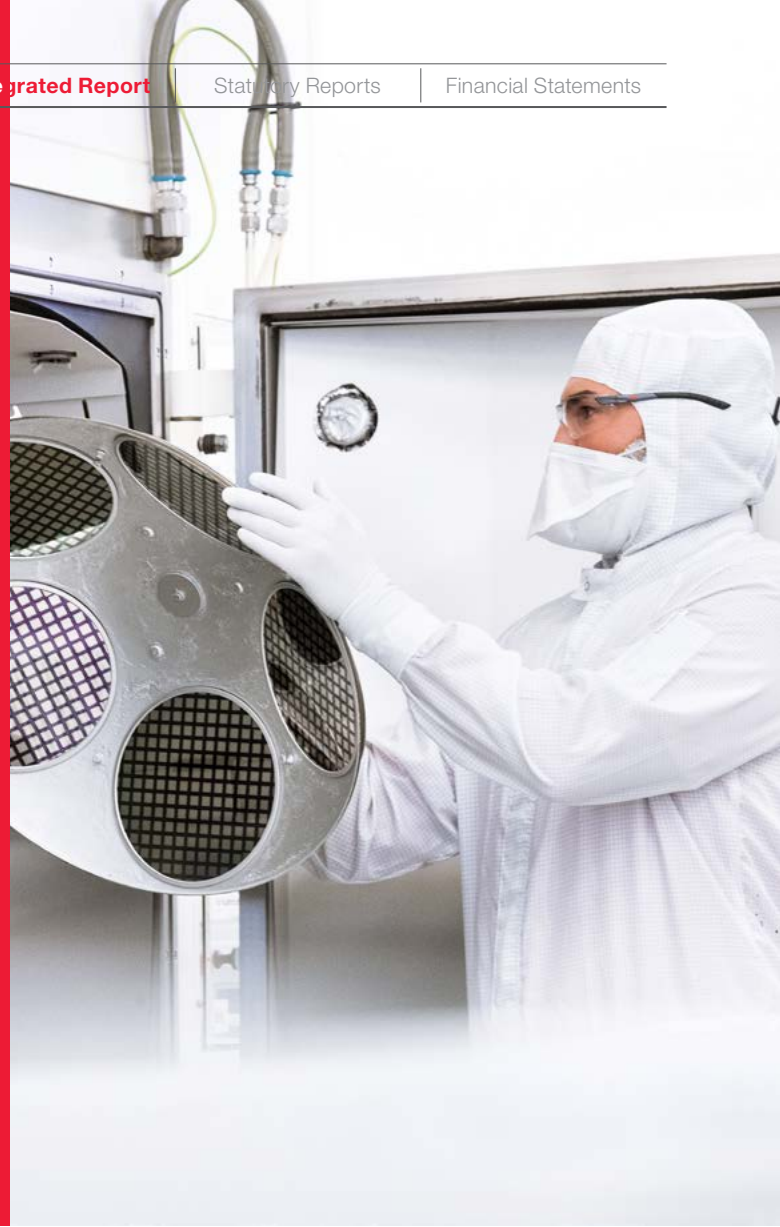
## Community

Hitachi Energy India Limited is committed to being a responsible corporate citizen and invests in sustainable and inclusive development of the community's social capital through its multiple initiatives.



# Intellectual capital

Your Company's legacy of innovation and deep expertise in the power technology sector have enabled it to continually provide enhanced value to customers, foresee industry trajectory, anticipate the next phase of growth and stay ahead of the curve.



Your Company's Research and Development (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 and localised products, features, and solutions, your

Company can secure existing revenue streams while creating additional revenue by increasing customer engagement and installed bases.

Additional details covering the technology absorption of R&D is disclosed in Annexure-G to the Board's Report, forming part of this Integrated Annual Report 2023-24.



# Natural capital

Sustainability is foundational element of Hitachi Energy India Limited's business strategy, shaping the approach that your Company takes towards products and operations. In line with its long-term commitment to corporate responsibility, the Company considers its role within society and environment as a leader in and enabler of the energy transition globally. Thus, the governance is in support of a just energy transition and vital to your Company's purpose of advancing a sustainable energy future for all.



Sustainability 2030 is Hitachi Energy's global strategic plan for sustainability, summarising key global commitments to act and drive business in a sustainable way. Hitachi Energy is working to become carbon neutral across its operating sites by 2030, and throughout its value chain by 2050. The Sustainability 2030 plan summarises Hitachi Energy's commitment to act and drive business based on four pillars: Planet, People, Peace, and Partnerships. Each of these areas has corresponding targets, which are closely aligned to the UN Sustainable Development Goals (SDGs), adding social, environmental and economic value. Its strategy draws from the UN's Sustainable Development Goals. Each pillar has corresponding targets that drive its business to contribute social, environmental, and economic value.

Hitachi Energy India Limited has been steadily progressing towards achieving the Sustainability 2030 targets in its operations.

## Emissions

Globally Hitachi Energy has reached the first-step in its target to use 100% fossil-free electricity in its own operations by 2022. Continuing this effort in India, Hitachi Energy India Limited has several projects and initiatives including:

- Solar roof top installations at Maneja in Vadodara and Doddaballapur near Bengaluru. At Maneja, 932 kW is installed, of which 292 kW is operational and at Doddaballapur where 600 kW of solar is installed. The installed capacity can meet 20-30% of the total electricity requirement in each of the facilities.
- Hitachi Energy India Limited's Mysuru facility has entered into Power Purchase Agreements which cater to nearly 90% of its electricity requirement with renewable electricity. The remaining carbon from grid electricity is offset by purchasing International Renewable Energy Certificates (I-REC). Going forward the Mysuru facility intends to move away from purchasing I-REC towards direct methods such as green tariffs, Power Purchase Agreements (PPAs) and owned renewable generation.

- The Company's project sites have also taken initiatives to make their operations clean using solar power. Solar roof top installations are used to power offices at Mumbai Infeed HVDC project and 6 GPQS sites, totalling 47.7 kW capacity. Six sets of solar-based mobile charging equipment, with three lights and two USBs are installed in rest sheds and at the worker colony. Further, seven CNG vehicles are used for site transportation instead of petrol or diesel vehicles.

## Energy

Your Company achieved 37% reduction in energy consumption per Crores revenue since the baseline year of 2019. This was achieved through various energy saving measures across our 8 manufacturing sites.

### Mysuru

- Replacement of 60 numbers of metal halide lamps with light-emitting diodes (LED) lights saves three units/ hour on low tension side.
- Five numbers of star delta starters were replaced with available spare drives. This has saved 25kwh (units) per hour on the low tension side.
- Faulty capacitors have been replaced with new capacitors with capacity 200KVAR in low tension side (Power factor increased from 0.94 to 0.96)

### Savli

- In the dry & traction transformer factory at Savli, a new dedicated 5.5 kW compressor was installed for the casting plant which has reduced the operation of 30 kW centralised compressor system. This has minimised power losses occurred due to the running of higher rated centralised compressor and projected yearly energy saving of 35,868 kWh.

### Maneja

- The operation of Heating, Ventilation, and Air Conditioning (HVAC) system at the canteen has been optimised. The operation of HVAC was automated by installing a Bluetooth-based time switch, motorised molded case circuit breaker (MCCB) and by modifying the wiring in the canteen. These optimisations resulted in energy savings by minimising the operation of HVAC in non-peak hours, with an estimated saving of 96,000 kWh per annum.
- Vapour Phased Drying (VPD1) chiller was replaced with a new higher capacity chiller. For another Vapour Phased Drying chiller, (VPD2) the cooling tower was replaced with a chiller unit; also HVLS (High Volume Low speed) installation was done in the winding area for improvement in humidity and comfort levels.



- At Maneja, an energy monitoring system has been installed to monitor electricity consumption patterns. Seven HT/LT substations and 53 energy meters are connected to the smart energy monitoring system. This facilitates real time data on energy consumption patterns, allowing actions to be taken to reduce energy consumption per unit of production.

### Halol

Installed nine numbers of solar street lights on the Halol factory roof which has resulted in saving of energy. Power savings were also achieved in the lighting by installing motion sensors in the washrooms and meeting rooms.

Stopped fresh air circulation of air in ovens by turning off burners to reduce fresh air consumption and provided thermal insulation to the hot lines of the oven which has resulted in saving in energy as well as reduced Piped Natural Gas (PNG) consumption.

Stopped the operation of spray nozzle pumps of Air Handling Units during the monsoon and winter, which has resulted in energy savings.

## Water

Your Company has reduced 18% of absolute water consumption and 49% water consumption per Crores revenue relative to the baseline year of 2019.

Initiatives on water conservation and rainwater harvesting include:

- Installation of three rainwater recharge wells at Halol
- Leakage management at Maneja, Savli and Mysuru
- Reuse of RO reject water at Maneja
- Installation of 23 digital water meters at Maneja
- Installation of two digital water meters at Mysuru

Water withdrawn from surface water was 2,04,179 kL, from groundwater 1,32,012 kL and from third party 32,365 kL. Total volume of water consumed was 3,68,556 kL for the year. 1,46,255 kL water discharged after treatment in own sewage treatment plant of which 1,19,260 kL is utilised in-house to irrigate the garden and flush toilets.

## Waste

The Company has taken adequate measures to reduce waste and recycle generated waste. Approximately 7,825.8 MT of waste generated of which 97% was recycled through waste handlers authorised by local pollution control board. A 40% reduction in waste per Crores revenue was achieved this year against the baseline year of 2019.

## Biodiversity

Your Company does not have any manufacturing locations or offices in and around ecologically sensitive regions. However, the Company has carried out urban afforestation projects, taken up initiatives with local authorities to provide green cover in urban spaces, and has planted 2,450 saplings till close of FY24.



# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. 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 ("the Company")
3. Year of incorporation	2019 (February 19, 2019)
4. Registered office address	8 <sup>th</sup> Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru - 560 092
5. Corporate address	8 <sup>th</sup> Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru - 560 092
6. E-mail	<a href="mailto:investors@hitachienergy.com">investors@hitachienergy.com</a> (For investors) <a href="mailto:poovanna.ammatanda@hitachienergy.com">poovanna.ammatanda@hitachienergy.com</a> (e-mail ID of Compliance Officer and Nodal Officer)
7. Telephone	080-68473700
8. Website	<a href="https://www.hitachienergy.com/in/en">https://www.hitachienergy.com/in/en</a>
9. Financial year for which reporting is being done	FY 2023-24 (April 1, 2023 to March 31, 2024)
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	Binupriya A R (Telephone: 080-68473719) E-mail: <a href="mailto:binupriya.a-r@hitachienergy.com">binupriya.a-r@hitachienergy.com</a>
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 form a part of its consolidated financial statements, taken together).	Standalone basis
14. Name of assurance provider	NA
15. Type of assurance obtained	NA

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Sale of products	Design, manufacturing/configuration & supply of system, equipment, devices and accessories products	69.58
2	Execution of contracts for projects and services	Project and service engineering, installation, commissioning and support	25.19

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	271	69.58
2	Projects and services of related manufactured electrical equipment.	279	25.19

### III. Operations

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

Location	Number of plants	Number of offices	Total
National	8 <sup>1</sup>	12 <sup>2</sup>	19
International	0	3 <sup>3</sup>	3

<sup>1</sup> 8 Plants with factory licenses containing 19 unique manufacturing lines.

<sup>2</sup> 12 Sales offices

<sup>3</sup> International sales offices: Bangladesh, Nepal and Sri Lanka

#### 19. 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?

24.50

##### 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.

### IV. Employees

#### 20. Details as at the end of the Financial Year:

##### a) Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1	Permanent (D)	1810	1625	90	185	10
2	Other than Permanent (E)	64	53	83	11	17
3	<b>Total employees (D + E)</b>	<b>1874</b>	<b>1678</b>	<b>90</b>	<b>196</b>	<b>10</b>
<b>WORKERS</b>						
4	Permanent (F)	565	562	99	3	1
5	Other than Permanent (G)	532	491	92	41	8
6	<b>Total employees (F + G)</b>	<b>1097</b>	<b>1053</b>	<b>96</b>	<b>44</b>	<b>4</b>

##### b) Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	0	0	0	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	<b>Total employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	9	8	89	1	11
5	Other than Permanent (G)	6	6	100	0	0
6	<b>Total employees (F + G)</b>	<b>15</b>	<b>14</b>	<b>93</b>	<b>1</b>	<b>7</b>

## 21. Participation/ Inclusion/ Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	2	33.33
Key Management Personnel	3	0	0

## 22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	Turnover rate in the current FY								
	FY 2023-24 April 2023 and March 2024			FY 2022-23 April 2022 and March 2023			FP 2021-22 January 2021 and March 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	10.37%	19.64%	11.24%	11.2%	21.02%	12.0%	9.1%	13.8%
Permanent Workers	1.79%	28.57%	1.96%	0.2%	0.0%	0.2%	4.1%	20.0%	4.2%

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

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

Sr. 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)
1.	Hitachi Energy Ltd. (formerly known as Hitachi ABB Power Grids Ltd.)	Holding	75	No

## VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of the Companies Act, 2013: (Yes/No) - Yes
- (ii) Turnover (in ₹): 5,237.49 Crores (As on March 31, 2024)
- (iii) Net worth (in ₹): 1,359.87 Crores (As on March 31, 2024)

## VII. Transparency and Disclosures Compliances

### 25. 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, 2023 - March 31, 2024 Current Financial Year			April 1, 2022 - March 31, 2023 Previous Financial Year		
		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 <a href="https://www.hitachienergy.com/in/en/contact-us">https://www.hitachienergy.com/in/en/contact-us</a>	0	0	Nil	0	0	Nil
Investors (other than shareholder)	<a href="https://www.hitachienergy.com/in/en/investor-relations#quick-links">https://www.hitachienergy.com/in/en/investor-relations#quick-links</a>	0	0	Nil	0	0	Nil
Shareholder	<a href="https://scores.gov.in/scores/Welcome.html">https://scores.gov.in/scores/Welcome.html</a>	13	0	Nil	3	0	Nil
Employees and workers	<a href="https://secure.ethicspoint.eu/domain/media/en/gui/109107/report.html">https://secure.ethicspoint.eu/domain/media/en/gui/109107/report.html</a>	11	0	Nil	6	0	Nil
Customers	<a href="https://www.hitachienergy.com/in/en/contact-us">https://www.hitachienergy.com/in/en/contact-us</a>	620	47	Nil	523	83	Nil
Value Chain Partners	<a href="https://www.hitachienergy.com/in/en/contact-us">https://www.hitachienergy.com/in/en/contact-us</a>	0	0	Nil	0	0	Nil
Other (Media, General enquiries, sales)	<a href="https://www.hitachienergy.com/in/en/contact-us">https://www.hitachienergy.com/in/en/contact-us</a>	0	0	Nil	0	0	Nil

## 26. 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.

Sr. 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)
1	Safe, healthy, and secure operations	Risk	Health and Safety is our license to operate. Our employees work at manufacturing sites as well as project sites where they are exposed to various hazards. Therefore, it is pertinent to identify risks through a robust risk assessment process and implement effective controls to mitigate our risks.	Safety is vital to our 'license to operate' and being a business that people want to work for or with. We minimize risk of harm and are committed to eradicating fatalities and life-changing injuries  We foster: <ul style="list-style-type: none"> <li>- Positive health and well-being work environments</li> <li>- Safe working conditions as well as continual improvement</li> <li>- Environmental protection to minimize our impact</li> <li>- Learnings from successes and failures</li> <li>- Trust by open reporting and through external validation</li> </ul>	Negative
2	Climate change and carbon neutrality	Opportunity / Risk	Climate risk is an opportunity to transition to low carbon technologies and alternate fuels as well as augment our energy conservation efforts. Climate change is a risk for business continuity due to physical risks such as extreme weather conditions impacting business operations, value chain and community.	Risks are addressed through the Company's Sustainability 2030 strategy advancing in four key areas: Planet, People, Peace, Partnerships each having corresponding targets, which are closely aligned to the UN Sustainable Development Goals, adding social, environmental and economic value.	Positive
3	Resource efficiency and circular economy	Opportunity	Opportunity to identify resource conservation and waste minimization through efficient processes, adoption of new technologies, reuse of packaging materials, and recycling wastes thereby promoting circular economy.	NA	Positive
4	Sustainable products, services, and solutions	Opportunity	Opportunity to identify sustainable raw materials for productions; improve energy efficiency for our clients through our products and solutions	NA	Positive
5	Responsible Sourcing	Risk	Managing sourcing of materials across the supply chain and comply with regulatory and customer requirements regarding the prohibition and restriction of substances, including hazardous substances and responsible sourcing of conflict minerals.	Integrating sustainable practices in to supply chain procedures.  Follow the OECD (Organization for Economic Cooperation and Development) due diligence guidance and be involved in relevant trade associations to define and improve best practices and encourage responsible sourcing.	Negative

Sr. 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)
6	Well-being of employees	Opportunity	<p>Good personal health and well-being also require everyone to do what they can to look after themselves and others.</p> <p>Health is an opportunity to motivate behavior change and increase engagement with better health practices; increase our support for mental well-being and provide safe workplaces and working conditions for all our employees</p>	NA	Positive
7	Diversity	Opportunity	<p>The Company believes in integrating diversity and inclusion into all our practices and policies and foster female acceleration through our Female Talent Development Program.</p> <p>The Company's sustainability 2030 targets include increasing female diversity from 5.8% in 2019 to 16-20% by 2030.</p>	NA	Positive
8	Human rights and labor conditions	Risk	<p>Identification, evaluation and managing Human Rights risks in its operation and supply chain and its consequences.</p>	<p>Human Rights policy and control standard is in place to evaluate Human Rights risks at all levels of operations.</p> <p>Supplier Sustainability Development Program (SSDP) is a supplier engagement initiative, to uphold human rights and decent working conditions.</p>	Negative
9	Integrity and anti-corruption	Risk	<p>The Company 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.</p>	<p>The Company has a very stringent policy on integrity that applies to all. The Company's 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.</p>	Negative
10	Developing our people	Opportunity	<p>Cultivating life-long learning and creating inclusive learning opportunities, The Company fosters innovation.</p>	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.

<b>P1</b>	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
<b>P2</b>	Businesses should provide goods and services in a manner that is sustainable and safe
<b>P3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains
<b>P4</b>	Businesses should respect the interests of and be responsive to all its stakeholders
<b>P5</b>	Businesses should respect and promote human rights
<b>P6</b>	Businesses should respect and make efforts to protect and restore the environment
<b>P7</b>	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
<b>P8</b>	Businesses should promote inclusive growth and equitable development
<b>P9</b>	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. 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								
c) Web-Link of the Policies, if available	Please refer to the section on 'Links to the Company Policies and Programs' at the end of this Report.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. 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. ISO 37001: 2016 Anti-Bribery Management System								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company in alignment with its global Sustainability 2030 strategic business plan has taken the following goals against 2019 baseline. - 50% CO <sub>2</sub> emissions reduction along the value chain - 50% reduction in waste disposed. - 25% reduction in freshwater use - 25% reduction in hazardous substances and chemicals - Zero harm - Top quartile health absence rates - Life-long learning culture - Increase female diversity from 5.8% to 16-18% by 2030. - Zero incidents of corruption and bribery - Increase involvement in multi-stakeholder partnerships								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	The Company's global goals and targets are cascaded to business units who work on achieving the targets. Performance is monitored at the Company level and support extended to local teams where required. The Company is steadily progressing towards achieving its 2030 target.								
<b>Governance, leadership and oversight</b>									
7. 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)	We are serious in our commitment to drive our business in a sustainable way. We have been consistent in our efforts to decarbonize our operations and in ensuring welfare of our stakeholders. We have made considerable progress towards achieving our Sustainability 2030 goals in all areas.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Nuguri Venu, Managing Director & CEO								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. 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. Meena Ganesh* (DIN: 00528252) 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. Meena Ganesh (DIN: 00528252) was appointed as Independent Director and Ms. Nishi Vasudeva (DIN: 03016991) resigned from the position 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 in place of Ms. Nishi Vasudeva.

#### 10. 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													Annually and/or on a need basis
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances					Yes													Quarterly and/or on a need basis
11. 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
12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:																		Not Applicable
<b>Questions</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>									
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA									
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA									
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA									

## 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 Ethics and Business Conduct consists of rules and principles to assist leaders and employees in making decisions and acting ethically and in line with the Company's Identity. The Company 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.

## Essential indicators

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

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programs
Board of Directors	2	Ethics and Code of Conduct Anti-bribery and anti-corruption Antitrust and Competition Law	100
Key Managerial Personnel	4	Ethics and Code of Conduct Anti-bribery and anti-corruption Antitrust and Competition Law	100
Employees other than BOD and KMP	29*	Ethics and Code of Conduct Anti-bribery and anti-corruption Antitrust and Competition Law	100
Workers	32	Ethics and Code of Conduct Anti-bribery and anti-corruption Antitrust and Competition Law	100

\* Conducted as part of induction to new employees and yearly once through e-learning platform for management staff; trainings are available in 2 levels – basic and advanced.

### 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):

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Monetary		Brief of the case	Has an appeal been preferred? Yes/No
			Amount in ₹			
Penalty/Fine	P1	Hon'ble Judge Labor Court and JMFC Godhra, Gujarat	5,000		Non-implementation of technical measures such as safety audit and biennial risk assessment for check-up in order to achieve reduction of accident pursuant to Rule 12(c)(4)(e) of the Gujarat Factory Rules, 1963	No
Settlement	NIL	NIL	NIL		NIL	NIL
Compounding	NIL	NIL	NIL		NIL	NIL
<b>Non-Monetary</b>						
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.

The Company'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>

The Company 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, 2023 - March 31, 2024 Current Financial Year		April 1, 2022 - March 31, 2023 Previous Financial Year	
	Number	Remarks	Number	Remarks
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, 2023 - March 31, 2024 Current Financial Year		April 1, 2022 - March 31, 2023 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issue of conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issue of conflict of Interest of the KMPs	Nil	Nil	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

**8. Number of Days of Accounts payables (Accounts payable \*365)/ Cost of goods/ services procured) in the following format:**

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year		April 1, 2022 - March 31, 2023 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of days of accounts payables		135		145

**9. Openness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties in the following format:

Parameter	Metrics	April 1, 2023 - March 31, 2024 Current Financial Year		April 1, 2022 - March 31, 2023 Previous Financial Year*	
		Number	Remarks	Number	Remarks
<b>Concentration of Purchases</b>	a) Purchases from trading houses as % of total purchases		4%		-
	b) Number of trading houses where purchases are made from		3		-
	c) Purchases from top 10 trading houses as % of total Purchases from trading houses		4%		-
<b>Concentration of Sales</b>	a) Sales to dealers/ distributors as % of total sales		6.5%		5.6%
	b) Number of Dealers/distributors to whom sales are made		94		89
	c) Sales to top 10 dealers/ distributors as % of total sales to dealers/distributors		<35%		<48%
<b>Share of RPTs in</b>	a) Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors		-		-
	b) Sales (Sales to related parties/ Total Sales)		23.6%		23.7%
	c) Loans & advances (Loans & Advances given to related parties/ Total loans & advances)		Nil		Nil

\* Some data from previous year not included as information has been sourced and calculated from the current financial year only.

**Leadership Indicators**

**1. Awareness programs 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". In the year 2023-24, as a part of supplier sustainability development program, the Company assessed 14 suppliers. Further during the year, the Company has been able to reduce the risk level of previous years' 14 suppliers to Low Risk.

1 supplier de sourced due to non-compliance of the Company's Supplier code of conduct.

During current financial year 2023-24, The Company has trained and assessed 14 high risk supplier partners on SSDP. Additionally, during this period, The Company has trained and developed 5 of its employees on SSDP, who have been certified by Bureau Veritas as lead assessor and are able to conduct the supplier assessments independently.

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

The Integrity team handles 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.**

**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.**

	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	NA	NA	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 been mainly 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 ₹ 90.50 Crores as royalty and technology fees to Hitachi Energy Switzerland Ltd. (CHPGS) and ₹ 99.65 Crores to Hitachi Energy Ltd., Switzerland (CHAMH). Further, during the financial year 2023-24, CHPGS was merged with CHAMH.
Capex	₹ 1,35,63,252	₹ 65,00,000	Key energy and water conservation projects include Smart Energy monitoring systems, HVAC system optimization, HVLS installation and chiller replacement in Vadodara, electrical retrofit projects such as replacement of old drives and motors at Mysuru, compressor optimization at Savli; installation of 9 solar street lights at Halol and transitioning to LED lighting from conventional lighting across locations for energy saving.  Water saving projects include installation of 3 rainwater recharge wells at Halol; leakage management at Maneja, Savli and Mysuru; reuse of RO reject water at Maneja; installation of 23 digital water meters at Maneja and 2 digital water meters at Mysuru

### HSE aspects are incorporated into R&D through:

**Eco Design:** Eco Design, also referred to as Environmentally Conscious Design (ECD), aims to reduce a product's environmental impact, while maintaining or improving its functionality of the product. Integration of environmental aspects as early as possible into the product design and development process offers flexibility to make changes and improvements to our products. This enables us to make effective decisions about environmental aspects that we control.

**Safety in Design:** Incorporating design solutions for identified hazards and reasonably foreseeable risks that may occur as the product is manufactured, transported, installed, serviced and disposed of. The Company's designers also consider the behavior of design components in context of the product life span – for example, how often a component might fail during the product life and the potential impacts of such failures. Consideration is also given to post-life aspects through the elimination or minimization of exposure to toxic or environmentally damaging materials designed into the product.

**HSE Checklist for the Company's Gate Model:** The HSE Checklist helps to identify key Health, Safety, Environmental (HSE) and Sustainability aspects in the Company's product and technology development projects. R&D systematically and comprehensively identifies and assesses health, safety and environmental risks and opportunities.

**Guideline for material selection:** Environmental impact of a product is determined by the material and energy inputs and outputs generated at all stages of its life cycle: raw-material acquisition, manufacture, distribution, use and disposal. Material selection guidance on for energy conservation, pollution prevention, resource conservation, promotion of a safe work environment is provided to reduce impact of product on the environment.

Every year projects focusing on environmental improvements are identified in our operations as part of their environment management program and budget allocated.

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

Yes

Our dedicated team of supply chain specialists provides partners with a clear framework, tools, and feedback, including a Supplier Code of Conduct, and a clearly defined pathway to becoming a partner, the Supply Base Management Process. To mitigate significant sustainability risks, we also offer our partners and employees support, training, and evaluation via our Supplier Sustainability Development Program. Furthermore, we combine this internal program with independently verified assessments developed with leading provider, EcoVadis.

Although the Company does not source raw minerals and ores directly, our Responsible Minerals Sourcing Program offers regular training and communications for our suppliers and internal teams on compliance with our Conflict Minerals Policy. These initiatives help us ensure that our suppliers can assess, maintain, and improve their performance, remaining long-term partners.

These sustainability programs target and promote sustainable practices within our partners, such as CO<sub>2</sub> reduction, human rights, environmental performance, and diversity through the use of trainings, evaluations, and development programs.

These programs are as follows:

- The Supply Base Management Process enables us to understand the performance of suppliers across the entire supply chain life cycle.
- The Supplier Sustainability Development Program (SSDP) targets suppliers with higher sustainability risks and offers the program by prioritizing the partners according to a risk matrix.
- The Sustainability Assessment via EcoVadis evaluates suppliers across four areas: environmental, social, ethics, and supply chain. This assessment was launched in 2021 as to augment the SSDP.
- The Responsible Minerals Sourcing Program identifies suppliers in the conflict minerals survey and offers regular training and communications for our suppliers and internal teams to work toward ensuring compliance with our Conflict Minerals Policy.

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

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

**2. 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.**

The Company recycles plastics from packaging and fulfills its extended producer responsibility requirement. The Company has taken several initiatives for waste reduction and recycling. Steel, copper, aluminum, oil and plastics make up the majority of our products. Most of these materials are reclaimable at the end of a product's life and we also 'design to recycle'. Product manual specifically provides information on safe disposal as per local legislation.

**3. 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.**

Yes, as an importer, EPR is applicable under plastic packaging Category II. Waste collection plan is in line with the EPR plan and is periodically submitted to Central pollution control board as per the regulatory requirement.

**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?**

At the Company, life-cycle perspective means looking beyond our own operations to include our supply chain, the use of our products, and their end of life.

Lifecycle Assessments (LCAs) are key, providing us with quantitative environmental information to improve the environmental performance of our products, systems, and services. We assess our main product groups' LCA impacts and provide comprehensive information to customers and regulators. We perform LCAs according to ISO 14040 and 14044 for different purposes (such as guiding product innovation and R&D processes or delivering LCA studies and environmental product declarations to customers on request).

To address the complexity of our portfolio and the high customization of the systems we deliver, we perform LCAs for the base solutions of systems such as High Voltage Direct Current (HVDC), Flexible Alternating Current Transmission Systems (FACTS), grid connections, e-mobility solutions, and EconiQ products, among others. For our service solutions and project installations, we are implementing tools that allow us and our customers to directly assess project-specific configurations from their early-stage development. Furthermore, we are further developing our internal capabilities and tools for establishing LCA assessments in engineering, design and product development processes across all product lines and factories.

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	90% of transformer business unit (LCA models available)	From material extraction, processing to end-of-life treatment	Yes	Yes <a href="https://www.epditaly.it/en/epd-search/">https://www.epditaly.it/en/epd-search/</a>

**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.**

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 available
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.

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, impacts will be reviewed for social and environmental concerns.

### 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).

Indicate input material	Recycled or re-used input material to total material	
	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year
	NA	NA

The Company manufactures and delivers transformers to customers. Transformers are designed by prioritizing their efficiency, resilience, and longevity, by strategically selecting special component materials to accommodate high electrical, mechanical, and thermal loads and stresses. They are customized designs with rigorous technical specifications to ensure efficient, reliable, and safe operations that would last 30 to 40 years or even longer. Transformer services contribute to extending the service life and to increasing the productivity of the built-in materials. We are also providing declarations on recyclability rates of our transformers at their end of life and delivering decommissioning and materials recovery guidelines to maximizing material recovery and to support an environmentally friendly and safe end of life management. With our supply chain we are continuously gathering data on recycled content in sourced materials and partnering with stakeholders on establishing more circular material value chains. As of today, the recycled content rate in sourced main materials varies between 10 and 100% for materials such as e-steel, carbon steel, aluminium, copper and insulating mineral oil.

### 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:

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year			April 1, 2022 - March 31, 2023 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

Majority of packaging material used are wood and recyclable plastic. Packaging wastes are disposed by the end user as per local pollution control board requirements to authorized recyclers.

### 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 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, IGNITE 2.0 was also launched to encourage rehiring of performers who may have left their career for various reasons. The entire approach to well-being was based on increasing diversity, promoting inclusion and recognizing performance. Multiple awareness sessions on physical & mental health and well-being 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 well-being.

### Career development and opportunities

Keeping a strong focus on future talent pipeline development, the Company has sustained its journey on 'Develop & Grow' pillar this year, with the objective of enabling a powerful talent ecosystem that helps build and develop capabilities for the future. The Company

have 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)
<b>Permanent employees</b>											
Male	1625	1625	100%	1625	100%	NA	NA	1625	100%	770	47%
Female	185	185	100%	185	100%	185	100%	NA	NA	97	52%
<b>Total</b>	<b>1810</b>	<b>1810</b>	<b>100%</b>	<b>1810</b>	<b>100%</b>	<b>185</b>	<b>100%</b>	<b>1625</b>	<b>100%</b>	<b>867</b>	<b>48%</b>
<b>Other than Permanent employees</b>											
Male	53	53	100%	53	100%	NA	NA	53	100%	36	68%
Female	11	11	100%	11	100%	11	100%	NA	NA	7	64%
<b>Total</b>	<b>64</b>	<b>64</b>	<b>100%</b>	<b>64</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>53</b>	<b>100%</b>	<b>43</b>	<b>67%</b>

### 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)
<b>Permanent employees</b>											
Male	562	562	100%	562	100%	NA	NA	562	100%	463	82%
Female	3	3	100%	3	100%	3	100%	NA	NA	1	33%
<b>Total</b>	<b>565</b>	<b>565</b>	<b>100%</b>	<b>565</b>	<b>100%</b>	<b>3</b>	<b>0.5%</b>	<b>562</b>	<b>99.5%</b>	<b>464</b>	<b>82%</b>
<b>Other than Permanent employees</b>											
Male	491	491	100%	491	100%	NA	NA	491	100%	374	76%
Female	41	41	100%	41	100%	41	100%	NA	NA	20	49%
<b>Total</b>	<b>532</b>	<b>532</b>	<b>100%</b>	<b>532</b>	<b>100%</b>	<b>41</b>	<b>7.7%</b>	<b>491</b>	<b>92.3%</b>	<b>394</b>	<b>74%</b>

\* Day Care facilities are available in Peenya, Doddaballapur and Maneja.

### c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Cost incurred on well-being measures as a % of total revenue of the Company	0.30%	-

\* Data from previous year not included as information has been sourced and calculated from the current financial year only.

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year			April 1, 2022 - March 31, 2023 Previous Financial Year		
	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/ NA)	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/ NA)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	1	2.47	Y	3	0	Y
Others-please specify	29	0	Y	23	0	Y

### Notes:

- There are 25 employees covered under ESI
- Superannuation is an optional retirement benefit for employees. Around 531 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 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.

Yes. Link provided in Annexure 1.

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

Gender	Permanent employees		Permanent employees	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Note:** 110 employees have availed maternity/ paternity 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 e-mail 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 will be thoroughly examined and enquires will be done in the given timeframe 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 worker in association(s) or Unions recognized by the listed entity:**

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year			April 1, 2022 - March 31, 2023 Previous Financial Year		
	Total employees/workers in respective category (A)	No of employees/workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/workers in respective category (C)	No of employees/workers in respective category, who are part of association(s) or Union (D)	% (C/D)
<b>Total permanent employees</b>	1810	0	0	1765	0	0
- Male	1625	0	0	1614	0	0
- Female	185	0	0	151	0	0
<b>Total permanent workers</b>	565	565	100	558	558	100
- Male	562	562	100	554	554	100
- Female	3	3	100	4	4	100

**8. Details of training given to employees and workers:**

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

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.

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year					April 1, 2022 - March 31, 2023 Previous Financial Year				
	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)
<b>Employees</b>										
Male	1625	1625	100	1625	100	1614	1614	100	1614	100
Female	185	185	100	185	100	151	151	100	151	100
<b>Total</b>	<b>1810</b>	<b>1810</b>	<b>100</b>	<b>1810</b>	<b>100</b>	<b>1765</b>	<b>1765</b>	<b>100</b>	<b>1765</b>	<b>100</b>
<b>Workers</b>										
Male	562	562	100	562	100	554	554	100	554	100
Female	3	3	100	3	100	4	4	100	4	100
<b>Total</b>	<b>565</b>	<b>565</b>	<b>100</b>	<b>565</b>	<b>100</b>	<b>558</b>	<b>558</b>	<b>100</b>	<b>558</b>	<b>100</b>

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

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

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year			April 1, 2022 - March 31, 2023 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No (D)	% (D/C)
<b>Employees</b>						
- Male	1625	1342	83	1614	1366	85
- Female	185	121	65	151	109	72
<b>Total</b>	<b>1810</b>	<b>1463</b>	<b>81</b>	<b>1765</b>	<b>1475</b>	<b>84</b>
<b>Workers</b>						
- Male	562	Refer note below				
- Female	3	Refer note below				
<b>Total</b>	<b>565</b>	Refer note below				

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

At the Company, 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 3<sup>rd</sup> year
2. **Mysuru:** 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. Meritorious increment 15% of total strength discontinued w.e.f. April 1, 2023, as agreed in settlement with the Union dated December 23, 2022.

#### 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, all our manufacturing sites have implemented and are certified for Occupational Health and Safety management system as per ISO 45001:2018.

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

At the Company, we take the management of HSE and Sustainability risks very seriously and aim to reduce these risks to the lowest practicable level and, where possible, eliminate them. Activity Based Risk Assessment (ABRA) is conducted for all activities which present a risk to health safety and environment. ABRA is a 5-phase methodology which involves – Identification of risks, Assessment/Prioritization of the risk of each hazard exposure, Implementation of the controls, Communication of the risks and controls and Monitoring & Review of controls for effectiveness.

**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, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.67	0.59
	Workers	0.36	1.00
Total recordable work-related injuries	Employees	9	7
	Workers	3	8
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill - health (excluding fatalities)	Employees	0	0
	Workers	0	0

\* The data for the previous year has been revised to reflect the updated information and recalculated figures.

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

Safety is vital to our 'license to operate' and being a business that people want to work for or with. We minimize risk of harm and are committed to eradicating fatalities, life-changing injuries, and major environmental incidents.

Our long-term HSE commitments

- Positive health and well-being work environments
- Safe working conditions as well as continual improvement
- Environmental protection to minimize our impact.
- Learnings from successes and failures
- Trust by open reporting and through external validation

Our key safety programs include

- The Life-Saving Rules (LSRs) apply to all employees and contractors regardless of work location or their role. Life-saving rules – eLearning is now mandatory for the Company’s employees.
- Electrical safety awareness (PICW) programs are organized for employees and contractors who perform an electrical work.
- Contractor management – Management of contractors is critical to achieving good safety.
- Risk management – We aim to reduce risks to the lowest practical level. Activity Based Risk Assessment is conducted for all activities which present a risk to HSE. Risk Assessments periodically and on need basis. Controls are established to reduce risks and communicated.
- Manual material handling – The manual handling and transport of heavy loads can cause discomfort, muscular aches, back pain or even injuries. Techniques for safe manual handling is provided as a guide to minimize manual material handling risks and improve workplace ergonomics.
- Safety Observation Tour (SOT) – SOT helps us learn and improve safety.
- 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.
- Internal & external audits are carried out to check the adequacy of systems, procedures, and control are implemented.
- Management reviews the status of the HSE Management System with regards to suitability, effectiveness and adequacy and opportunities for improvement.
- HSE Management system has been implemented as per ISO 14001 & 45001 and continual improvements are carried out.

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

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year			April 1, 2022 - March 31, 2023 Previous Financial Year		
	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	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

**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.**

Owing to our operations, our significant risks are in areas involving electrical work, excavation/trenching, machine work, mechanical lifting – suspended loads, work at height, confined spaces, working with chemical and work environments such as mines, offshore works. The Company uses a simple-5 phase approach to manage HSE and Sustainability risks at all levels of our organization which allows our risk owners to make good decisions based on sound risk assessments. Our approach is:

- Identify the risks.
- Assess/Prioritize the risk of each hazard exposure.
- Implement the controls.
- Communicate the risks and controls.
- Monitor & Review controls for effectiveness.
- Stop! Take 5 is the name given in the Company for a risk assessment that is conducted just before start of any activity.
- The Life-Saving Rules (LSRs) apply to all employees and contractors regardless of work location or their role. Our safety rules and procedures create ‘barriers’ that prevent potential incidents from happening. When fully applied they should prevent incidents. A key role of the life-saving rules is to help keep our safety ‘barriers’ solid and everyone safe from harm. Our 10 Life Saving Rules protect our employees and contractors from the activities most likely to cause serious harm or death if safety rules are not fully and properly applied.

In response to the fatality in one of our project sites in July, we took corrective action in the following areas at all our sites:

- Identification of all high-risk activities at all sites and monitoring closely.
- Implementation of Life Saving Rules with all the controls and monitoring.
- Site physical inspection program and reporting (MySafety Focus App).
- Site audit program
- Contractors' HSE behavior
- Competency assessment of site management in managing HSE risk
- Visible leadership in HSE.
- Emphasis on site manager, HSE manager and PM's accountability of "Duty of care" of HSE for all employees, contractors, and partners.

### 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 value chain partners is done for ensuring the statutory dues 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 are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

We had one fatality involving our worker in the current year.

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, 2023 – March 31, 2024	April 1, 2022 – March 31, 2023	April 1, 2023 – March 31, 2024	April 1, 2022 – March 31, 2023
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Employee	0	0	0	0
Workers	1	0	0	0

**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	-
Working Condition	-

**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 ensure compliance regarding all legal country, state, or local regulations. Value chain partners/ Contractor 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 the Company to revisit its materiality matrix and developed 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.

As a part of continuous improvement in supplier sustainability, The Company have introduced a program to monitor and improve Greenhouse gases emissions originating in the Company's suppliers. In this direction, the Company collaborated with its third-party service providers M/s Bureau Veritas India Ltd, to provide training to its key suppliers to identify, measure and monitor the emission levels within their area of manufacturing.

The Company during the period also organized several customer engagements events to bring the Company's technologies closer to the customers. The Company organized multiple customers 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
<b>Business</b>				
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 body meeting
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

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
<b>Government</b>				
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, 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.

The Company consults with stakeholders through various engagements and discussed with Board. Annual general meeting, analyst calls, customer events, community engagement programs are some means consultation is carried out.

### 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.

Yes. Stakeholder consultation an important factor in identifying our material environmental and social topics. Resource efficiency in our operations especially water and waste reduction, emissions reductions are key areas of interest to our stakeholders under environment, while diversity equity and inclusion is one topic of importance which has driven us to act through various initiatives within the organization as well as helped us identify it as an important topic in our community engagements.

### 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 creating an impact through its CSR projects by providing quality education in technology institutes for girl students and through Women in Engineering program providing scholarships across 6 states for nearly 250 young women.

## PRINCIPLE 5: Businesses should respect and promote human rights

The Company 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. The Group 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 Labor Organization (ILO) core conventions on labor standards, United Nations Global Compact (UNGC), The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and UN Sustainable Development Goals (SDG). 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, 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 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 focuses 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, in line with the Group policy, 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, 2023 - March 31, 2024 Current Financial Year			April 1, 2022 - March 31, 2023 Previous Financial Year		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (C/D)
Permanent	1,810	1,810	100	1,765	1,765	100
Other than permanent	64	64	100	64	64	100
<b>Total employees</b>	<b>1,874</b>	<b>1,874</b>	<b>100</b>	<b>1,829</b>	<b>1,829</b>	<b>100</b>
<b>Workers</b>						
Permanent	565	565	100	558	558	100
Other than permanent	532	532	100	552	552	100
<b>Total workers</b>	<b>1,097</b>	<b>1,097</b>	<b>100</b>	<b>1,110</b>	<b>1,110</b>	<b>100</b>

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

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year					April 1, 2022 - March 31, 2023 Previous Financial Year				
	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)
<b>Employees</b>										
<b>Permanent</b>										
Male	1,625	0	0	1,625	100	1614	0	0	1,614	100
Female	185	0	0	185	100	151	0	0	151	100
Other than Permanent										
Male	53	0	0	53	100	44	0	0	44	100
Female	11	0	0	11	100	20	0	0	20	100
<b>Workers</b>										
<b>Permanent</b>										
Male	562	0	0	0	100	554	0	0	554	100
Female	3	0	0	0	100	4	0	0	4	100
Other than Permanent										
Male	491	0	0	491	100	521	0	0	521	100
Female	41	0	0	41	100	31	0	0	31	100

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

#### a) Median remuneration/wages:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category ₹	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	2*	2,35,05,783	2	30,96,667
Key managerial personnel (KMP)	3	2,36,82,862	0	NA
Employees other than BOD and KMP	2508	11,08,153	248	7,30,431
Workers	562	10,94,240	3	10,36,974

\* For the calculation of Median Remuneration, the remuneration paid to Managing Director & CEO relates to fixed component of salary and excludes the performance bonus and long-term Incentive Plan payout as per the amount disclosed elsewhere in the Board's Report.

#### b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Gross wages paid to females as % of total wages	6.78%	-

\* Data from previous year not included as information has been sourced and calculated from the current financial year only.

### 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 to redress various grievances.

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

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year			April 1, 2022 - March 31, 2023 Previous Financial Year		
	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	Nil	0	0	Nil
Discrimination at workplace	11	0	Nil	6	0	Nil
Child labor	0	0	Nil	0	0	Nil
Forced labor/Involuntary labor	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

### 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

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

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

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

Yes

**10. Assessments for the year:**

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

**11. 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 Indicators**

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

None received.

**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 labor	100
Forced Labor/ involuntary labor	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.**

None

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

The Company is shaping the future of sustainable energy by enabling the integration of renewables in an energy efficient and reliable grid. Enabling integration of renewable energy is at the core of our business. In all our operations, we strive to minimize waste, use of natural resources, energy and hazardous substances, always in compliance with legislation. Our ambition is to become climate neutral.

We are committed to engage with our stakeholders to reduce the environmental impact from our products and solutions along their life cycle, from extraction of raw materials to customers' use and end-of-life, to protect the planet from degradation. We collaborate with customers, suppliers, external organizations and educational institutions to help the Company implement effective programs that are good for the environment, and better for business.

## Essential Indicators

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

Parameter	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year *
From renewable sources		
Total electricity consumption (A)	1,77,402	1,62,419
Total fuel consumption (B)	1,68,300	1,74,235
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	3,45,702	3,36,654
From non-renewable sources		
Total electricity consumption (D)	0	0
Total fuel consumption (E)	49,821	42,886
Energy consumption through other sources (F)	0	0
Total energy consumed from non- renewable sources (D+E+F)	49,821	42,886
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>3,95,523</b>	<b>3,79,540</b>
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations) (GJ/Crores ₹)	75.52	84.65
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

\* The data for the previous year has been revised to reflect the updated information and recalculated figures.

### 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, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Water withdrawal by source (in kiloliters)		
(i) Surface water	2,04,179	2,16,657
(ii) Groundwater	1,32,012	1,83,480
(iii) Third party water	32,365	27,290
(iv) Sea water/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	<b>3,68,556</b>	<b>4,27,427</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>3,68,556</b>	<b>4,27,427</b>
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity (kL/Crores ₹)	70.37	95.33

\*The data for the previous year has been revised to reflect the updated information and recalculated figures.

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. 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.**

Parameter	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water - No treatment - With treatment - With treatment - please specify level of treatment	0	0
(ii) To Groundwater - No treatment - With treatment - please specify level of treatment	0	0
(iii) To Seawater - No treatment - With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties - No treatment Water treated in own sewage treatment plant and discharged to municipal sewage	26,996	67,119
(v) Others - No treatment - With treatment Water treated in own sewage treatment plant and utilized to irrigate garden and flush toilets.	1,19,260	1,37,496
<b>Total water discharged (in kL)</b>	<b>1,46,255</b>	<b>2,04,615</b>

\*The data for the previous year has been revised to reflect the updated information and recalculated figures.

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. 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 on water conservation to reduce freshwater consumption. All facilities have installed sewage treatment plant to treat domestic sewage. In line with Zero Liquid discharge approach, the facilities reuse treated wastewater for irrigating garden as well as for flushing purposes thereby reducing use of freshwater for the activity. Only Maneja discharges treated sewage to municipal sewer. The facility is currently working towards utilizing the treated wastewater within the site for irrigation, flushing and construction activities.

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

Parameter	Please specify unit	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year
NOx	PPM	Complied	Complied
SOx	PPM	Complied	Complied
Particulate matter (PM)	µg/m <sup>3</sup>	Complied	Complied
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)	µg/m <sup>3</sup>	Complied	Complied
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.

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

Parameter	Please specify unit	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	3,285	3,725
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	0	0
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tCO <sub>2</sub> e/Crores ₹	0.63	0.83
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	-	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

\*The data for the previous year has been revised to reflect the updated information and recalculated figures

The CO<sub>2</sub> emission is 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.

No.

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

The main sources of the Company's direct (Scope 1) Greenhouse Gas (GHG) emissions are the fuels used in our operations, such as natural gas usage and SF<sub>6</sub> losses during production processes and gas handling on site. Indirect (Scope 2) GHG emissions from purchased electricity. The Company recognizes the need to limit global warming to no more than 1.5C above pre-industrial levels, in order to avoid the worst affects of climate change. As such, our ambition is to become carbon neutral in our own operations by 2030 and achieve Net Zero across the entire value chain by 2050. To achieve this, we have implemented several projects and initiatives which include: Solar roof top installations at Maneja where 932 kW is installed of which 292 kW is operational and Doddaballapur where 600 kW is installed. The installed capacity would meet 20-30% of total electricity requirement in each of the facilities. Mysuru facility has Power Purchase Agreements which caters to nearly 90% of its electricity requirement. The remaining GHG from grid electricity is covered by purchasing International Renewable Energy Certificates (I-REC). Going forward we will move away from purchasing I-REC to more direct, and potentially more value adding methods such as green tariffs, Power Purchase Agreements (PPAs) and own generation.

At project site, solar roof top installations are used to power offices at Adani HVDC project and 6 GPQS sites totaling 47.7 kW capacity. 6 sets solar based mobile charging facility with 3 lights and 2 USB installed in rest sheds and worker colony and 7 CNG vehicles are used at HVDC site.

Energy conservation activities include replacing conventional lamps with LED, installation of solar lights, electrical retrofits such as replacement of old drives and compressors with energy efficient equipment; process improvements such as optimizing operations of HVAC and AHUs and thermal insulation of hotlines to prevent heat loss. At Maneja, energy monitoring systems were installed to monitor energy consumption patterns and take appropriate actions. 7 nos. of HT/LT substations and 53 energy meters are connected to the monitoring system. At Halol and Maneja, LPG was replaced by low carbon PNG while Mysuru uses biofuel such as paddy husk and waste dust from own operations to fuel its boilers. Replacing old R22 based HVAC systems to high COP R410A at Maneja has also resulted in reduction in GHG emissions.

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

Parameter	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Total Waste generated (in metric tonnes)		
Plastic waste (A)	89.3	107.2
E-waste (B)	13.2	18.8
Bio-medical waste (C)	0.1	0.05
Construction and demolition waste (D)	NA	NA
Battery waste (E)	7.2	8.8
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G) (Used Oil, Resin, oily quartz & papers, glass wool, discarded containers)	277.8	339.1
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)	7,438.3	8,152.0
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>7,825.8</b>	<b>8,625.9</b>
Waste intensity per rupee of turnover (Total waste generated / cr revenue from operations)	1.49	1.92
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	97%	96%
(ii) Re-used	-	0
(iii) Other recovery operations	-	0
<b>Total</b>		
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	206	230
(ii) Landfilling	24	81
(iii) Other disposal operations	-	0
<b>Total</b>	<b>230</b>	<b>311</b>

\*The data for the previous year has been revised to reflect the updated information and recalculated figures.

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.

10. 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. We strive to always 1) reduce waste generated 2) reuse what we can, and 3) recycle all possible waste generated. We work continuously to move waste upwards in the waste hierarchy and, finally, eliminate it. At a company level, we implement the 5Rs, where 'rethink' and 'repair' are included, mostly relating to the way we deliver value to customers.

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. Environmentally Conscious Design (ECD) reduces a product's environmental impact, while maintaining or improving its functionality. Integration of environmental aspects as early as possible into the product design and development process enables organizations to make effective decisions about environmental aspects that they control.

Reducing generation of waste and reducing the wastes that is sent to landfill or for incineration 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 landfill. All wastes are sent to relevant Pollution Control Board (PCB) authorized recyclers.

**11. 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

Sr. 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.
NA			

**12. 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
NA					

**13. 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 law/ regulations/ guidelines in India.

Sr. 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
NA				

### Leadership Indicators

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

Parameter	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
<b>From renewable sources</b>		
Total electricity consumption (A) # GJ	1,77,402	1,48,492
Total fuel consumption (B)	1,68,300	1,75,558
<b>Energy consumption through other sources (C)</b>	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	3,45,702	3,24,050
<b>From non-renewable sources</b>		
Total electricity consumption (D)	0	0
Total fuel consumption (E) **	49,821	42,886
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>3,95,523</b>	<b>3,66,936</b>

\* The data for the previous year has been revised to reflect the updated information and recalculated figures.

# Total electricity consumption from renewable source consists of renewable energy from Power Purchase Agreements, in-house solar roof top electricity generation and 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.

No.

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

Parameter	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
<b>(i) To Surface water</b>		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
<b>(ii) To Groundwater</b>		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
<b>(iii) To Seawater</b>		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
<b>(iv) Sent to third - parties</b>		
- No treatment	0	0
- With treatment - treated in own STP as per local pollution control board norms and discharged to municipal sewage in Maneja	26,996	67,119
<b>(v) Others</b>		
- No treatment		
- With treatment – treated in own STP as per local pollution control board norms used for irrigation and flushing	1,19,260	1,37,496
<b>Total water discharged (in kiloliters)</b>	<b>1,46,255</b>	<b>2,04,615</b>

\* The data for the previous year has been revised to reflect the updated information and recalculated figures.

Water is treated in own sewage treatment plant as per local pollution control board norms to meet sewage treated water quality requirements.

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.

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

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

**(i) Name of the area:**

As per World Resources Institute in India, Karnataka, Tamil Nadu and Gujarat face high to extremely high water stress.

**(ii) Nature of operations:**

Manufacturing of Transformers, Bushings & Breakers

Manufacturing of control panels, substation automation system & grid automation products

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

Parameter	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Water withdrawal by source (in kiloliters)		
(i) Surface water	2,04,179	2,16,657
(ii) Groundwater	1,32,012	1,83,480
(iii) Third party water	32,365	27,290
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kiloliters)</b>	<b>3,68,556</b>	<b>4,27,427</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>3,68,556</b>	<b>4,27,427</b>

Parameter	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
<b>Water intensity per rupee of turnover (Water consumed kL/Crores ₹)</b>	70.37	95.33
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
<b>(i) Into Surface water</b>	-	-
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
<b>(ii) Into Groundwater</b>	-	-
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
<b>(iii) Into Seawater</b>	-	-
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
<b>(iv) Sent to third parties</b>	-	-
- No treatment	0	0
- With treatment - treated in own STP as per local pollution control board norms	26,996	67,119
<b>(v) Others</b>	-	-
- No treatment	0	0
- With treatment – STP treated and used for irrigation and flushing	1,19,260	1,37,496
<b>Total water discharged (in kiloliters)</b>	<b>1,46,255</b>	<b>2,04,615</b>

\*The data for the previous year has been revised to reflect the updated information and recalculated figures.

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, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) Only Category I Purchased Goods and Services	Metric tonnes of CO <sub>2</sub> equivalent	10,89,372	9,98,961
<b>Total Scope 3 emissions per Crore H of turnover</b>	tCO <sub>2</sub> e/Crores ₹	223	208
<b>Total Scope 3 emission intensity (optional)</b> – 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:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installed new compressor	No	Annual energy saving of 35,868 kWh
2	Drives installed	No	Hourly energy savings of 25kWh
3	Faulty capacitors replaced	No	Power Factor increased from 0.94 to 0.96
4	HVAC optimization	No	Annual energy saving of 96,000 kWh
5	Installation of energy meters	No	Real time energy monitoring
6	Installation of water meters	No	Monitoring water consumption and leakage
7	Installation of 3 rainwater harvest structures	No	Rainwater harvesting

**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 part of the Company'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/Function 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.

The various steps are:

**Key Business Processes & Recovery Priorities**

List all the key processes and sub processes of 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 is one of the main parts of the BCM 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) 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.

Sr. 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
NA		

### Leadership Indicators

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

Sr. 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	NA		-	-	-

## 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:

- The Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The International Labor Organization's Declaration on Fundamental Principles and Rights at work
- The OECD Guidelines for Multinational Enterprises
- The Global Sullivan Principles and
- 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	SIA Notification 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

Sr. 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, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Directly sourced from MSMEs/small producers	18%	-
Directly from within India	86%	-

\* Data from previous year not included as information has been sourced and calculated from the current financial year only.

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost.**

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year	April 1, 2022 - March 31, 2023 Previous Financial Year*
Rural	14%	-
Semi-urban	5%	-
Urban	74%	-
Metropolitan	7%	-

(Place to be categorized as per RBI Classification System - rural/ semi-urban/ urban/ metropolitan)

\* Data from previous year not included as information has been sourced and calculated from the current financial year only.

**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
Nil	NA

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

Sr. No.	State	Aspirational district	Amount spent (₹ in million)
1	Karnataka	Bengaluru, Mandya, Chickballapur, Chamrajnagar	8.70
2	Gujarat	Vadodara, Anand	7.76
3	Tamil Nadu	Chennai	8.27
4	Telangana	Warangal	3.40
5	Uttarakhand	Roorkee	3.60
6	West Bengal	Kharagpur	4.10
7	Delhi	Delhi	0.44
8	Assam	Bongaigaon	0.29
9	Haryana	Gurugram	0.24

- 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

Sr. 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
NA	NA	NA

## 6. Details of beneficiaries of CSR Projects:

Sr. 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	100%
2	Maintenance of Medical equipment funded at Mysuru, Maneja Savli & Halol	5000+	100%
3	Healthcare project support	50000+	100%
4	Green initiative - Development of traffic islands at Vadodara	General Public in the city	100%
5	Urban afforestation - 2 Green cover development under Vadodara Municipal Corporation	General Public in the city	100%
6	Development & maintenance of Green cover at National Highway Traffic median	General Public in the city	100%
7	'Smart Electric Grid - Laboratory for quality education and skill development at NIT Warangal	10000+	100%
8	"Collaborative Monitoring and Analytics Center" Smart & Sustainable Community - Connecting industry, innovation and infrastructure at IIT Roorkee	5000+	100%
9	'Sustainable Public Mobility - Piloting societal adaptation of clean energy in public mobility at IIT Madras	5000+	100%
10	'Sustainable Public Mobility - Piloting societal adaptation of clean energy in public mobility at IIT Madras 'Energy Simulation Lab for Diverse Sources Integration in Power Systems' at IIT Kharagpur	1000+	100%
11	'Lab for Modeling and Simulation of Electric Energy Assets' at BVM College of Engineering	1000+	100%

\* CSR initiatives focus on the well-being of marginalized communities by emphasizing education and healthcare support. Additionally, these efforts extend to enhancing public spaces for universal accessibility and providing infrastructure to educational institutions that benefits the entire community.

## 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 e-mail/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 have received the complaint, will raise in the system thru Customer complaint resolution process (CCRP) tool. The progress of these CCRP tickets is 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 action if necessary.
- v) High severity customers complaints are monitored on monthly basis at management meetings.
- vi) Feedback 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	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

Particulars	April 1, 2023 - March 31, 2024 Current Financial Year		Remarks	April 1, 2022 - March 31, 2023 Previous Financial Year		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	Nil	None	None	Nil
Advertising	None	None	Nil	None	None	Nil
Cyber-security	None	None	Nil	None	None	Nil
Delivery of essential services	None	None	Nil	None	None	Nil
Restrictive trade practices	None	None	Nil	None	None	Nil
Unfair trade practices	None	None	Nil	None	None	Nil
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.**

None

**7. Provide the following information relating to data breaches:**

- Number of instances of data breaches None
- Percentage of data breaches involving personally identifiable information of customers NA
- Impact, if any, of the data breaches NA

**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: <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 give 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.**

In case of disruption/discontinuation of essential services the Company will ensure communication of the same through the Company website and press releases.

**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.**

No

**5. 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)**

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 interval.

**6. Provide the following information relating to data breaches:**

- Number of instances of data breaches along-with impact – None
- Percentage of data breaches involving personally identifiable information of customers – Not Applicable

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## Annexure I

# Links to the Company Policies and Programs' section

Health, Safety, Environment and Sustainability Policy

<https://publisher.hitachienergy.com/preview?DocumentID=8DBR001735&LanguageCode=en&DocumentPartId=&Action=launch>

Social Policy

<https://publisher.hitachienergy.com/preview?DocumentID=8DBR001736&LanguageCode=en&DocumentPartId=&Action=launch>

Human Rights Policy

<https://publisher.hitachienergy.com/preview?DocumentID=7HAA00003&LanguageCode=en&DocumentPartId=&Action=launch>

Corporate Social Responsibility Policy (Company)

<https://publisher.hitachienergy.com/preview?DocumentID=8DBR000673&LanguageCode=en&DocumentPartId=&Action=launch>

Sexual harassment of women at the workplace Policy (Company)

<https://publisher.hitachienergy.com/preview?DocumentID=8DBR000676&LanguageCode=en&DocumentPartId=&Action=launch>

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/in/en/about-us/supplying/supplier-code-of-conduct>

Sustainability commitment

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

Corporate Governance (Company):

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

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>

Vulnerability Disclosure Policy:

<https://www.hitachienergy.com/products-and-solutions/cybersecurity/vulnerability-disclosure-policy>

Privacy Policy:

<https://www.hitachienergy.com/privacy-policy>

Equal Opportunity Policy:

[https://xecm.hitachienergy.com/otcs/llisapi.dll/8DAA5152964\\_en%20Equal%20Opportunity%20Policy%20%2D%20India?func=uniquenumberbox.oneviewopen&oneviewID=221731293&vernum=12&verType=PDF](https://xecm.hitachienergy.com/otcs/llisapi.dll/8DAA5152964_en%20Equal%20Opportunity%20Policy%20%2D%20India?func=uniquenumberbox.oneviewopen&oneviewID=221731293&vernum=12&verType=PDF)

# Notice to the Members

NOTICE is hereby given that the **FIFTH ANNUAL GENERAL MEETING** ("AGM") of the Members of Hitachi Energy India Limited ("the Company") will be held on Wednesday, August 21, 2024, at 11:00 a.m. (IST) at Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bengaluru – 560 055 to transact the following businesses:

## Ordinary Businesses:

### 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, 2024:

To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2024, 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, 2024, Audited Statement of Profit & Loss Account and Cash Flow Statement for the financial year ended March 31, 2024, 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 ₹ 4.00 per Equity Share (200%) of face value of ₹ 2.00 each for the financial year ended March 31, 2024.

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 ₹ 4.00 (Rupees Four only) per equity share of ₹ 2.00 (Rupees Two only) each fully paid up of the Company, be and is hereby declared for the financial year ended March 31, 2024 and that the same be paid as recommended by the Board of Directors of the Company for the financial year ended March 31, 2024.

**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 such 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. Achim Michael Braun (DIN: 08596097), 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. Achim Michael Braun (DIN: 08596097), 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 2024-25:

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, as amended from time to time, the payment of remuneration of ₹ 20,75,000/- (Rupees Twenty Lakhs and Seventy-Five Thousand only) per annum plus applicable taxes and reimbursement of out-of-pocket expenses actually incurred during the course of 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, 2025, be and is hereby approved.

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

### Item No. 5 – Approval of Material Related Party Transactions with Hitachi Energy Sweden AB for the financial year 2024-25:

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

**"RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time and the policy on Related Party Transaction(s) of Hitachi Energy India Limited ('the Company') and as per the recommendation/

approval of the Audit Committee and/or the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company for contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) entered/to be entered into, as detailed in the explanatory statement annexed to this notice, with Hitachi Energy Sweden AB ('HE Sweden'), a fellow subsidiary of the Company and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and HE Sweden, for an aggregate value of up to ₹ 1,000 Crores during financial year 2024-25 (i.e., April 1, 2024 to March 31, 2025), in respect of sale or purchase of product(s), component(s), system(s), spares and/or rendering or receipt of services under multiple orders, at arm's length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committees thereof) be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, expedient or desirable, in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals in order to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions with regard to the powers conferred herein.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to delegate all or any of the powers conferred on it to the Managing Director and CEO or Chief Financial Officer or the Company Secretary or any other Officer(s), or Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors of the Company (including any Committees thereof) in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**Item No. 6 – Approval of Material Related Party Transactions with Hitachi Energy Australia Pty. Ltd. for the financial year 2024-25:**

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

**"RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time and the policy on Related Party Transaction(s) of Hitachi Energy India Limited ('the Company') and as per the recommendation/ approval of the Audit Committee and/or the Board of

Directors of the Company, the approval of the Members of the Company be and is hereby accorded to the Company for contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) entered / to be entered into, as detailed in the explanatory statement annexed to this notice, with Hitachi Energy Australia Pty Ltd. ('HE Australia'), a fellow subsidiary of the Company and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and HE Australia, for an aggregate value of up to ₹ 1,000 Crores during financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025), in respect of sale or purchase of product(s), component(s), system(s), spares and/or rendering or receipt of services under multiple orders, at arm's length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committees thereof) be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, expedient or desirable, in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals in order to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions with regard to the powers conferred herein.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to delegate all or any of the powers conferred on it to the Managing Director and CEO or Chief Financial Officer or the Company Secretary or any other Officer(s), or Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors of the Company (including any Committees thereof) in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**Item No. 7 – Approval of Material Related Party Transactions with Hitachi Energy Ltd., Switzerland for the financial year 2024-25:**

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

**"RESOLVED THAT** pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time and the policy on Related Party Transaction(s) of Hitachi Energy India Limited ('the Company') and as per the recommendation/ approval of the Audit Committee and/or the Board of Directors of the Company, the approval of the Members of the Company

be and is hereby accorded to the Company for contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) entered / to be entered into, as detailed in the explanatory statement annexed to this notice, with Hitachi Energy Ltd., Switzerland ('HE Switzerland'), a Holding Company and accordingly a related party under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and HE Switzerland, for an aggregate value of up to ₹ 1,200 Crores during financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025), in respect of sale or purchase of product(s), component(s), system(s), spares and/or rendering or receipt of services (including royalty & technology payments) under multiple orders, at arm's length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committees thereof) be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, expedient or desirable, in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals in order to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions with regard to the powers conferred herein.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to delegate all or any of the powers conferred on it to the Managing Director and CEO or Chief Financial Officer or the Company Secretary or any other Officer(s), or Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board of Directors of the Company (including any Committees thereof) in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

By Order of the Board of Directors  
For **Hitachi Energy India Limited**

**Poovanna Ammatanda**  
General Counsel & Company Secretary  
FCS-4741

Place: Bengaluru  
Date: May 21, 2024

**Registered Office:**

8<sup>th</sup> Floor, Brigade Opus, 70/401,  
Kodigehalli Main Road, Bengaluru – 560 092  
CIN: L31904KA2019PLC121597  
Phone: 080 68473700

**Notes:**

1. A Statement setting out material facts pursuant to the provisions of Section 102(1) of the Companies Act, 2013 (the "Act") in respect of special businesses set out at Item Nos. 4 to 7 of the Notice is annexed hereto. Further, the information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of Secretarial Standards-2 issued by the Institute of Company Secretaries of India with respect to Item No. 3 is also appended hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION /AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE APPOINTING ORGANIZATION. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IF A PROXY IS APPOINTED FOR MORE THAN FIFTY MEMBERS, HE/ SHE SHALL CHOOSE ANY FIFTY MEMBERS AND CONFIRM THE SAME TO THE COMPANY BEFORE THE COMMENCEMENT OF PERIOD SPECIFIED FOR INSPECTION OF PROXY LODGED. IN CASE THE PROXY FAILS TO DO SO, THE COMPANY SHALL CONSIDER ONLY THE FIRST FIFTY PROXIES RECEIVED AS VALID. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER. THE PROXY-HOLDER SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE MEETING. AN INSTRUMENT OF PROXY DULY FILLED, STAMPED AND SIGNED IS VALID ONLY FOR THIS ANNUAL GENERAL MEETING INCLUDING ANY ADJOURNMENT THEREOF.  
  
IN CASE OF JOINT HOLDERS ATTENDING THE MEETING, ONLY SUCH JOINT HOLDER WHO IS HIGHER IN THE ORDER OF NAMES WILL BE ENTITLED TO VOTE.
3. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with conclusion of the Meeting, a Member can inspect the proxies lodged at any time during business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Members/ Proxies/ Representatives are requested to bring the attendance slip, annexed herewith for attending the meeting, duly completed and signed mentioning therein details of their DP ID and Client ID / Folio No.

5. Only Members/ Proxies/ Representatives/ Invitees of the Company are permitted to attend the Meeting at the venue. Attendance of any other individuals, including relatives and acquaintances accompanying Members, is strictly prohibited.
6. The Integrated Annual Report of the Company for the year ended March 31, 2024, along with Notice including, process and manner of remote e-voting, Attendance Slip and Proxy form are being sent by e-mail to those Members who have registered their e-mail address with Company's Registrar and Share Transfer Agents viz; KFin Technologies Limited ("KFin") ("RTA") or with their respective Depository Participant(s) ("DP"). Members who are desirous of obtaining the physical copy of the Integrated Annual Report 2023-24 along with Notice of the AGM are requested to send an e-mail, mentioning their Folio number / DP ID and Client ID to the Company's e-mail id at [investors@hitachienergy.com](mailto:investors@hitachienergy.com)
- The AGM notice and Integrated Annual Report of the Company are made available on the Company's website at <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 – <https://www.bseindia.com/> and National Stock Exchange of India Limited – [www.nseindia.com](http://www.nseindia.com) and on the website of KFin at <https://evoting.kfintech.com>.
- For convenience of Members, route map of the venue of the AGM forms part of this Integrated Annual Report for the financial year 2023-24.
7. Members are encouraged to regularly check the Company's website viz; Annual General Meeting section for important updates regarding safety measures, security protocols, logistics and other important notifications related to the upcoming AGM to be held at the registered office of the Company.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement, will be available for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members on all working days (except Saturdays, Sundays and Public Holidays) between 10:00 a.m. (IST) to 5:00 p.m. (IST) from the date of circulation of this Notice up to the date of AGM, i.e., Wednesday, August 21, 2024. Members seeking to inspect such documents can send an e-mail in advance to [investors@hitachienergy.com](mailto:investors@hitachienergy.com)
9. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, August 15, 2024 to Wednesday, August 21, 2024 (both days inclusive) for ascertaining entitlement of Members eligible to receive the dividend if declared in the meeting.
10. 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 23, 2024, to those Members:
- whose names appear as Beneficial Owners as at the end of business hours on Wednesday, August 14, 2024, in the list of Beneficial Owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in dematerialized form; and
  - whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Wednesday, August 14, 2024, after giving effect to valid request(s) received for transmission/ transposition of shares, if any.
- 11. ADDITIONAL FACILITY TO PARTICIPATE IN THE AGM THROUGH VIRTUAL MEANS**
- Your Company is pleased to provide the facility of one-way live webcast of the proceedings of the AGM on Wednesday, August 21, 2024 from 11:00 a.m. IST onwards. Members who are entitled to participate in the AGM can view the proceeding of AGM by logging on the e-voting website of KFin at <https://emeetings.kfintech.com/> using their secure login credentials. On successful login shareholders will reach at the link "live streaming" from where you can ONLY VIEW the proceeding of our 5<sup>th</sup> AGM. Members are encouraged to use this facility of webcast.
- The Company aims to provide an additional opportunity for participation of members who are unable to attend the AGM in person. Such registered members will be allowed to participate in the AGM through a video conferencing/ other audio visual means platform and express their views or ask questions. Shareholders interested in availing this facility should send their request in advance to [investors@hitachienergy.com](mailto:investors@hitachienergy.com), including their name, demat account number/folio number, email id, and mobile number. The deadline for requesting participation is August 18, 2024, at 5:00 p.m. (IST). The Company or its RTA officials will contact the selected members to complete the registration process. It may be noted that the attendance of the members participating through video conferencing/ other audio visual means shall not be counted for the purpose of quorum.
12. Members who are attending the meeting in person and would like to express their views/have questions, may register themselves as a speaker by sending their request in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at [investors@hitachienergy.com](mailto:investors@hitachienergy.com) up to August 18, 2024 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Members are requested to share their questions if any in advance on [investors@hitachienergy.com](mailto:investors@hitachienergy.com)
- In case of any query and/or help, in respect of attending AGM kindly contact the Company at [investors@hitachienergy.com](mailto:investors@hitachienergy.com), or Ms. Shobha Anand, Deputy Vice

President, KFin at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID [evoting@kfintech.com](mailto:evoting@kfintech.com) or on phone No.: 040-6716 2222 or call KFin's toll free No.: 1800-3094-001 for any further clarifications.

13. The Board of Directors of the Company has recommended a dividend of ₹ 4.00 per share of ₹ 2.00 fully paid for the financial year ended March 31, 2024. Also, this being the fifth 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. Further, 1,05,423 Equity shares were still in IEPF account as on August 10, 2023, being the record date for FY 2022-23 final dividend and accordingly, a dividend of ₹ 3,55,445.20 (after deduction of taxes) was also paid and deposited directly into the IEPF account after 4<sup>th</sup> AGM. The concerned Members/claimants may claim the shares and corresponding dividend amount (declared for FY 2022-23) by making an application to IEPF Authority in Form IEPF 5 (available on [www.iepf.gov.in](http://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/shareholder-information#iepf>. Members are requested to contact KFin Technologies Limited, Unit: Hitachi Energy 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
Transfer of unclaimed/unpaid dividends and corresponding Equity shares for the Financial Year April, 2022 to March 2023	August 17, 2023	October 22, 2030

14. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition.

Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at <https://www.hitachienergy.com/in/en/investor-relations#-p-revised-process-for-updation-of-details-for-physical-sharehol>. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in Dematerialized form are, therefore requested to submit their PAN to the Depository Participant(s) with whom they are maintaining their Dematerialized accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent.
16. SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/ Real Time Gross Settlement (RTGS)/ Direct Credit, etc. As directed by SEBI, Members holding shares in physical form are requested to submit particulars of their bank account in Form ISR 1 along with the original

- cancelled cheque bearing the name of the Member to KFin/ Company to update their bank account details. Members holding shares in demat form are requested to update their bank account details with their respective Depository Participant(s) ("DP"). The Company or KFin cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to provide timely credit of dividend in their bank accounts.
- 17.** Members holding shares in physical form, whose folio(s) lack PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account Details, or updated Specimen Signature, will only be eligible for any payment, including dividends, interest, or redemption, through electronic mode from April 01, 2024, as per SEBI directives. Therefore, Members holding shares in physical form are requested to update the mentioned details by completing the appropriate forms with the RTA by Wednesday, August 14, 2024, to ensure receipt of dividends.
- 18.** Procedure to be followed by the Members for updation of bank account mandate for receipt of dividend:
- I. Send a request to KFin at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) by providing the following details along with form ISR 1:
    - a) Folio No., Name of the Member/s;
    - b) Name and Branch of the Bank in which you wish to receive the dividend;
    - c) Bank Account type;
    - d) Bank Account Number allotted by their bank after implementation of Core Banking Solutions;
    - e) 9 digit MICR Code Number; and
    - f) 11 digit IFSC Code
  - II. Along with the request, attach the scanned copy of Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), scanned copy of cancelled cheque bearing the name of the first Shareholder.
- 19.** Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through NECS / ECS they should submit their NECS/ECS details to the Company's RTA. The requisite NECS/ECS application form can be obtained from the Company's RTA. Alternatively, Members may provide details of their bank account quoting their folio numbers, to the Company's RTA to enable them to print such details on the dividend warrants.
- 20.** The Members may send their complaints/queries including clarification on Integrated Annual Report 2023-24, if any to the Company's RTA at e-mail id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or to the Company's designated/exclusive e-mail id: [investors@hitachienergy.com](mailto:investors@hitachienergy.com)
- 21.** Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFin at the aforementioned address. Members holding shares in electronic form may contact their respective DP for availing this facility.
- 22.** Members may kindly note that in accordance with SEBI Circular reference SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023, the Company has registered on the newly launched SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: <https://smartodr.in/login>. Members may feel free to utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).
- 23.** As per Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ("Listing Regulations") as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. Further, SEBI vide its Master Circular dated May 17, 2023, has mandated that securities shall be issued only in dematerialised mode while processing duplicate/ unclaimed suspense/ renewal/ exchange/ endorsement/ sub-division/ consolidation/ transmission/ transposition service requests received from physical securities holders. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialize their shares held in physical form.
- Members are accordingly requested to get in touch with any Depository Participant(s) having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of KFin to seek guidance in the demat procedure. Members may also visit website of depositories viz. National Securities Depository Limited at <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited at <https://www.cdslindia.com/investors/open-demat.html> for further understanding the demat procedure.
- 24.** 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 paid to shareholders at the prescribed rates. A Resident individual shareholder with 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](mailto:einward.ris@kfintech.com) on

or before Friday, August 9, 2024. 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 2024-25 does not exceed ₹ 5,000/-. Shareholders may note that in case PAN is not updated with the Depository Participant(s)/ Registrar of the Company, the tax will be deducted at a higher rate of 20%. Further, if the PAN is not as per the database of the Income-tax Portal or it is not linked with the Aadhar (for those who are required to link to the PAN with Aadhar as per the provisions of the Act), it would be considered as inoperative PAN and higher tax rate of 20% would be deducted.

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 and provide following documents:

- Copy of PAN card, if any, allotted by 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 self-attested by the member
- Online Self Declaration in Form 10-F using <https://eportal.incometax.gov.in/>
- 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](mailto:einward.ris@kfintech.com) on or before Friday, August 09, 2024. The Shareholders in the category of Mutual Funds are required to submit their respective SEBI Registration Certificates to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) on or before Friday, August 09, 2024. 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 or at the rate as per the relevant DTAA, whichever is beneficial. Further, communication on Tax Deduction is also being sent separately to the shareholders through electronic mode to those shareholders whose email ID’s are registered with the Company / Depository Participant(s). Shareholders are requested to refer the aforesaid communication in addition to the above notes for detailed process and clarity.

## 25. E-Voting:

1. In compliance with the provisions of Section 108 of the Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the Listing Regulations, the Company is pleased to provide members the facility to cast their vote electronically, through the remote e-voting services provided by KFin on all resolutions set forth in this Notice. The resolutions as set out in this Notice are being conducted through e-voting. The said resolutions will not be decided by show of hands at the AGM.
2. The remote e-voting period commences on Saturday, August 17, 2024 at 9:00 a.m. IST and ends on Tuesday, August 20, 2024 at 5:00 p.m. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Wednesday, August 14, 2024, may cast their vote electronically in the manner and process set out here in above. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
3. Any person holding shares in physical form and nonindividual shareholders, who acquires 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, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). However, if he/ she is already registered with KFin for remote e-Voting then he/ she can use his/ her existing User ID and password for casting the vote.
4. In case of Individual Shareholders holding securities in demat mode and who acquires 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 may follow steps mentioned below under “Other Instructions”.
5. The details of the process and manner for remote e-Voting are explained herein below:

**Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access to KFin e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Step 3:** Voting during the AGM.

Details on Step 1 are mentioned below:

**I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDeAS facility</b></p> <p>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</p> <p>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p><b>2. User not registered for IDeAS e-Services</b></p> <p>I. To register click on link: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>III. Proceed with completing the required fields.</p> <p>IV. Follow steps given in point 1.</p> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <p>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFin.</p> <p>V. On successful selection, you will be redirected to KFin e-Voting page for casting your vote during the remote e-Voting period.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi/Easiest</b></p> <p>I. Visit URL: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Click on New System Myeasi</p> <p>III. Login with your registered user id and password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFin e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a></p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1.</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>I. Visit URL: <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a></p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account</p> <p>IV After successful authentication, user will be provided links for the respective ESP, i.e. KFin where the e-Voting is in progress.</p>
Individual Shareholder login through their demat accounts / Website of Depository Participant(s)	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – KFin and you will be redirected to e-Voting website of KFin for casting your vote during the remote e-Voting period without any further authentication.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 224 430
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**Details on Step 2 are mentioned below:****i) Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

Members whose e-mail IDs are registered with the Company / Depository Participant(s), will receive an e-mail from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 8170, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., "Hitachi Energy India Limited – AGM" and click on "Submit".
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".

- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., authorizing its representative to attend the AGM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id [cs.skannan@gmail.com](mailto:cs.skannan@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "Hitachi Energy India 5<sup>th</sup> Annual General Meeting".

**Details on Step 3 are mentioned below:**

The Members who have not cast their vote(s) through remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system (Insta Poll) shall be made available at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting; however, these Members are not entitled to cast their vote again in the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM.

**26. Other Instructions:**

- i. Members holding shares in electronic mode, who have not registered their email addresses are requested to register their email addresses with their respective Depository Participant(s) (DP).

Members holding shares in physical mode are requested to update their email addresses with KFin by following the process detailed below:

Members holding shares in physical mode are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, shall register the e-mail ID, mobile number, postal address with PIN code for their corresponding folio numbers. Members can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents. ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): The authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

- b) Through Post: Hard copies which are self-attested, can be sent to the address below; or

<b>Name</b>	KFin Technologies Limited
<b>Address</b>	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India – 500 032.

- c) Through electronic mode with e-sign service through the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html> For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the Demat A/c is being held.

- ii. In case of any other queries, you may refer Help & FAQ section of <https://evoting.kfintech.com> or call KFin Toll Free No. 1800 309 4001.
- iii. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he / she may obtain the User ID and Password in the manner as mentioned below:
- a) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
- I. Example for NSDL:  
MYEPWD <SPACE> IN12345612345678
- II. Example for CDSL:  
MYEPWD <SPACE> 1402345612345678
- III. Example for Physical:  
MYEPWD <SPACE> XXXX1234567890
- b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c) Members who may require any technical assistance or support before or during the AGM are requested to contact KFin at toll free number 1800 309 4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
- iv. However, if you are already registered with KFin 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” option available on <https://evoting.kfintech.com> or call KFin Toll Free No. 1800 309 4001.

- v. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, August 14, 2024.
- vi. 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.
- vii. 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 favor or against, if any, to the Chairman or person authorized by the Chairman in writing for counter signature.
- viii. 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.
- ix. Promptly after declaration of results, the same shall be placed along with the Scrutinizer’s Report on the Company’s website at <https://www.hitachienergy.com/in/en/investor-relations/general-meetings#annual-general-meeting> and on the KFin’s website at <https://evoting.kfintech.com> and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.
- x. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

For **Hitachi Energy India Limited**

**Poovanna Ammatanda**

General Counsel & Company Secretary  
FCS-4741

Place: Bengaluru  
Date: May 21, 2024

**Registered Office:**

8<sup>th</sup> Floor, Brigade Opus, 70/401,  
Kodigehalli Main Road, Bengaluru – 560 092  
CIN: L31904KA2019PLC121597  
Phone: 080 68473700

## ANNEXURE TO NOTICE

### STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO 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, 2025. 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, 2025.

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:

In terms of Regulation 23 of the SEBI Listing Regulations, as amended, any transactions with a related party shall be considered material, if the transaction(s) entered into/ to be entered into individually or taken together with the previous transactions during a financial year exceeds ₹ 1,000 Crores or

10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and shall require prior approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

In the financial year 2024-25, the Company proposes to enter into certain related party transaction(s) with Hitachi Energy Sweden AB ("HE Sweden"), on mutually agreed terms and conditions, and the aggregate of such transaction(s), are expected to cross the applicable materiality thresholds (i.e. ₹ 523.75 Crores for the financial year 2024-25) as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions proposed to be undertaken by the Company. All the said transactions shall be in the ordinary course of business of the Company and on an arm's length basis.

These transactions help in generating revenue and enhancing the business operations of both the Company and HE Sweden. Further, all transactions entered into with HE Sweden complement and are integral to the Company's export strategy.

The Management has provided the Audit Committee with the relevant details, as required under law, of RPT's including material terms and basis of pricing from time to time. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the below mentioned RPTs during the financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025), subject to approval by the Members at the ensuing Annual General Meeting. The Committee has noted that the said transactions are carried out on an arms' length basis and in the ordinary course of business of the Company.

**Details of transactions between the Company and HE Sweden, being a related party of the Company, including the information pursuant to SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:**

Sr. No.	Particulars	Details
1.	Details of Summary of information provided by the Management to the Audit Committee	
	Name of the Related Party	Hitachi Energy Sweden AB ("HE Sweden")
	Nature of relationship with the Company including nature of its concern or interest (financial or otherwise)	Fellow Subsidiary
	Type/ Nature of contract or material terms and particulars of the transaction	<p>Sale or purchase of product(s), component(s), system(s), spares and / or rendering or receipt of services under multiple orders for an aggregate value of up to ₹ 1,000 Crores entered into/ to be entered during the financial year 2024-25 (i.e. April 01, 2024 to March 31, 2025).</p> <p>Terms and conditions vary based on various order(s)/ contract(s)/ agreement(s)</p> <ul style="list-style-type: none"> <li>• Delivery of Materials – generally FCA/ FOB/ DAP/ CPT</li> <li>• Payment terms – generally 30-120 days</li> <li>• Indirect Taxes as applicable</li> <li>• Currency – primarily Swedish Krona (SEK)/ United States Dollar (USD)</li> <li>• Such other conditions customary to the context of the contract(s) / agreement(s)</li> </ul> <p>All transactions are in the ordinary course of business and at arm's length basis.</p>
	Value and tenure of the transaction	<p>Up to ₹ 1,000 Crores during the financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025).</p> <p>The estimated value of the transaction(s) with HE Sweden as on date has not exceeded, however, it is expected to exceed the threshold limits of material related party transactions (RPT's) during the financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025).</p> <p>The upper limit mentioned is an enabling limit to help the business operate smoothly without interruption.</p>
	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	Approximately 19% of the Company's annual standalone turnover for the financial year 2023-24 (consolidated reporting is not applicable to the Company).
2.	Reason and Justification as to why the RPT is in the interest of the Company	<p>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. The Company is advancing the energy system to become more sustainable, flexible and secure whilst balancing social, environmental and economic value.</p> <p>India is becoming a leader in clean tech and its investments have made India a node for exports. Exports are a growth lever for the Company. The Company has been working towards consistent export orders and has invested in building capabilities and networks to sustain the same. Export includes transactions with related party entities and the Company procures and sells products, component, system, renders and receives services from related party entities, including HE Sweden.</p> <p>Further, business transactions with HE Sweden for Projects in India and export are necessitated by manufacturing footprint of some of key components and availability of key competencies. There are certain products / components which are tailor made and having proven technology. Some of these products are high in value and least options are available in the market as well.</p> <p>The transactions with HE Sweden support the Company for improved business volumes, Feeder factory contract manufacturing and for procurement of items which are not available in the open market.</p> <p>These transactions are necessary, normal and incidental to business, and also plays a significant role in the Company's business growth considering global contracts to aid operational efficiency and achieve business objectives. These transactions are conducted at arm's length and have been undertaken in the past by the Company from time to time, depending on needs of its business. These transactions also help in generating revenue and enhancing the business operations of both the Company and HE Sweden. Further, all transactions entered into with HE Sweden complement and are integral to the Company's export strategy.</p>
3.	<p>Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:</p> <p>a) Details of the source of funds in connection with the proposed transaction</p> <p>b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure</p> <p>c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured</p> <p>d) Purpose for which funds will be utilised</p>	<p>Not Applicable, as the transactions are not related to any loans, inter-corporate deposits, advances or investment made or given by the Company or its subsidiary.</p>
4.	A copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
5.	Any other information relevant or important for the members to make a decision	These Related Party Transactions are being carried out at arm's length and in the ordinary course of business of the Company.

Mr. Achim Michael Braun, Mr. Ismo Antero Haka and Mr. Nuguri Venu, Directors of the Company are nominated on the Board of the Company by Hitachi Energy Ltd., Switzerland (Promoter Group). Mr. Achim Michael Braun and Mr. Ismo Antero Haka are also in full time employment of Hitachi Energy Ltd. and Mr. Nuguri Venu is in the whole-time employment in the capacity of the Managing Director and Chief Executive Officer of the Company. Hence, they and/or their relatives, may be concerned or interested, financially or otherwise, in this Resolution. None of the other Directors or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in this Resolution except to the extent of their shareholding (if any) in the Company.

The Members may note that as per the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the Resolution set out in Item No. 5.

Basis the consideration and approval of the Audit Committee, the Board of Directors recommend the Ordinary Resolution forming part of Item No. 5 of the accompanying Notice for the approval of the Members.

#### Item No. 6:

In terms of Regulation 23 of the SEBI Listing Regulations, as amended, any transactions with a related party shall be considered material, if the transaction(s) entered into/to be entered into individually or taken together with the previous transactions during a financial year exceeds ₹ 1,000 Crores or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and shall require prior approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

In the financial year 2024-25, the Company proposes to enter into certain related party transaction(s) Hitachi Energy Australia Pty. Ltd. ("HE Australia"), on mutually agreed terms and conditions,

and the aggregate of such transaction(s), are expected to cross the applicable materiality thresholds (i.e. ₹ 523.75 Crores for the financial year 2024-25) as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions proposed to be undertaken by the Company. All the said transactions shall be in the ordinary course of business of the Company and on an arm's length basis.

These transactions help in generating revenue and enhancing the business operations of both the Company and HE Australia. Further, all transactions entered into HE Australia complement and are integral to the Company's export strategy.

Further, the Company is expecting an order value of about ₹ 790 Crores from HE Australia, a fellow subsidiary of the Company towards execution of Project – Marinus Link – Voltage Source Converter ("VSC") High Voltage Direct Current ("HVDC") links between Tasmania and Victoria for supply of certain equipment for execution of the project – Burnie Converter Station and Latrobe Valley Converter Station. The order is scheduled to be executed over a period of four (4) years.

Marinus Link Pty Ltd selected Hitachi Energy to supply a HVDC project in Australia. Hitachi Energy will supply its HVDC Light® VSC stations for the project. Delivery of certain equipment will be executed from the Company's factory in India.

Marinus Link is a project of national significance for Australia. It will play a fundamental role in Australia's energy ecosystem, and the Company will play a crucial role in supporting it.

The Management has provided the Audit Committee with the relevant details, as required under law, of RPT's including material terms and basis of pricing from time to time. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the below mentioned RPTs during the financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025), subject to approval by the Members at the ensuing Annual General Meeting. The Committee has noted that the said transactions are carried out on an arm's length basis and in the ordinary course of business of the Company.

#### Details of transactions between the Company and HE Australia, being a related party of the Company, including the information pursuant to SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:

Sr. No.	Particulars	Details
1.	Details of Summary of information provided by the Management to the Audit Committee	
	Name of the Related Party	Hitachi Energy Australia Pty Ltd ("HE Australia")
	Nature of relationship with the Company including nature of its concern or interest (financial or otherwise)	Fellow Subsidiary
	Type / Nature of contract or material terms and particulars of the transaction	<p>Sale or purchase of product(s), component(s), system(s), spares and / or rendering or receipt of services under multiple orders for an aggregate value of up to ₹ 1,000 Crores entered into/ to be entered during the financial year 2024-25 (i.e. April 01, 2024 to March 31, 2025).</p> <p>Terms and conditions vary based on various order(s)/ contract(s)/ agreement(s)</p> <ul style="list-style-type: none"> <li>• Delivery of Materials – generally FCA/ FOB/ DAP/ CPT</li> <li>• Payment terms – generally 30-120 days</li> <li>• Indirect Taxes as applicable</li> <li>• Currency – primarily Australian Dollar (AUD)/United States Dollar (USD)</li> <li>• Such other conditions customary to the context of the contract(s)/agreement(s)</li> </ul> <p>All transactions are in the ordinary course of business and at arm's length basis</p>

Sr. No.	Particulars	Details
	Value and tenure of the transaction	Up to ₹ 1,000 Crore during the financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025). The estimated value of the transaction(s) with HE Australia as on date has not exceeded, however, it is expected to exceed the threshold limits of material related party transactions (RPT's) during the financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025). The upper limit mentioned is an enabling limit to help the business operate smoothly without interruption.
	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	Approximately 19% of the Company's annual standalone turnover for the financial year 2023-24 (consolidated reporting is not applicable to the Company).
2.	Reason and Justification as to why the RPT is in the interest of the Company	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. The Company is advancing the energy system to become more sustainable, flexible and secure whilst balancing social, environmental and economic value.  India is becoming a leader in clean tech and its investments have made India a node for exports. Exports are a growth lever for the Company. The Company has been working towards consistent export orders and has invested in building capabilities and networks to sustain the same. Export includes transactions with related party entities and the Company procures and sells products, component, system, renders and receives services from related party entities, including HE Australia.  The transactions with HE Australia will contribute to the Company to consistently improve the export business volumes from time to time.  These transactions are necessary, normal and incidental to business, and also plays a significant role in the Company's business growth considering global contracts to aid operational efficiency and achieve business objectives. These transactions are conducted at arm's length and have been undertaken in the past by the Company from time to time, depending on needs of its business. These transactions also help in generating revenue and enhancing the business operations of both the Company and HE Australia. Further, all transactions entered into with HE Australia complement and are integral to the Company's export strategy.
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
	a) Details of the source of funds in connection with the proposed transaction	Not Applicable, as the transactions are not related to any loans, inter-corporate deposits, advances or investment made or given by the Company or its subsidiary.
	b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure	
	c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured	
	d) Purpose for which funds will be utilised	
4.	A copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
5.	Any other information relevant or important for the members to make a decision	These Related Party Transactions are being carried out at arm's length and in the ordinary course of business of the Company.

Mr. Achim Michael Braun, Mr. Ismo Antero Haka and Mr. Nuguri Venu, Directors of the Company are nominated on the Board of the Company by Hitachi Energy Ltd., Switzerland (Promoter Group). Mr. Achim Michael Braun and Mr. Ismo Antero Haka are also in full time employment of Hitachi Energy Ltd. and Mr. Nuguri Venu is in the whole-time employment in the capacity of the Managing Director and Chief Executive Officer of the Company. Hence, they and/or their relatives, may be concerned or interested, financially or otherwise, in this Resolution. None of the other Directors or Key Managerial Personnel of the Company and/or their relatives are concerned or interested,

financially or otherwise, in this Resolution except to the extent of their shareholding (if any) in the Company.

The Members may note that as per the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the Resolution set out in Item No. 6.

Basis the consideration and approval of the Audit Committee, the Board of Directors recommend the Ordinary Resolution forming part of Item No. 6 of the accompanying Notice for the approval of the Members.

**Item No. 7:**

In terms of Regulation 23 of the SEBI Listing Regulations, as amended, any transactions with a related party shall be considered material, if the transaction(s) entered into/ to be entered into individually or taken together with the previous transactions during a financial year exceeds ₹ 1,200 Crores or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, and shall require prior approval of shareholders by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

In the financial year 2024-25, the Company proposes to enter into certain related party transaction(s) with Hitachi Energy Ltd., Switzerland ("HE Switzerland"), on mutually agreed terms and conditions, and the aggregate of such transaction(s), are expected to cross the applicable materiality thresholds (i.e. ₹ 523.75 Crores for the financial year 2024-25) as mentioned above. Accordingly, as per the SEBI Listing Regulations,

prior approval of the Members is being sought for all such arrangements / transactions proposed to be undertaken by the Company. All the said transactions shall be in the ordinary course of business of the Company and on an arm's length basis.

These transactions help in generating revenue and enhancing the business operations of both the Company and HE Switzerland. Further, all transactions entered into with HE Switzerland complement and are integral to the Company's export strategy.

The Management has provided the Audit Committee with the relevant details, as required under law, of RPT's including material terms and basis of pricing from time to time. The Audit Committee, after reviewing all necessary information, has granted approval for entering into the below mentioned RPTs during the financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025), subject to approval by the Members at the ensuing Annual General Meeting. The Committee has noted that the said transactions are carried out on an arm's length basis and in the ordinary course of business of the Company.

**Details of transactions between the Company and HE Switzerland, being a related party of the Company, including the information pursuant to SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:**

Sr. No.	Particulars	Details
1.	Details of Summary of information provided by the Management to the Audit Committee	
	Name of the Related Party	Hitachi Energy Ltd., Switzerland ("HE Switzerland")
	Nature of relationship with the Company including nature of its concern or interest (financial or otherwise)	Holding Company
	Type / Nature of contract or material terms and particulars of the transaction	<p>Sale or purchase of product(s), component(s), system(s), spares and / or rendering or receipt of services (including royalty &amp; technology payments) under multiple orders for an aggregate value of up to ₹ 1,200 Crores entered into/ to be entered during the financial year 2024-25 (i.e. April 01, 2024 to March 31, 2025).</p> <p>Terms and conditions vary based on various order(s)/ contract(s)/ agreement(s)</p> <ul style="list-style-type: none"> <li>• Delivery of Materials – generally FCA/ FOB/ DAP/ CPT/ Ex-Works</li> <li>• Payment terms – generally 30-120 days</li> <li>• Indirect Taxes as applicable</li> <li>• Currency – primarily Swedish Krona (SEK)/ Swiss Franc (CHF) / United States Dollar (USD)</li> <li>• Such other conditions customary to the context of the contract(s) / agreement(s) / Purchase Orders</li> </ul> <p>All transactions are in the ordinary course of business and at arm's length basis.</p>
	Value and tenure of the transaction	<p>Up to ₹ 1,200 Crores during the financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025).</p> <p>The estimated value of the transaction(s) with HE Switzerland as on date has not exceeded, however, it is expected to exceed the threshold limits of material related party transactions (RPT's) during the financial year 2024-25 (i.e., April 01, 2024 to March 31, 2025).</p> <p>The upper limit mentioned is an enabling limit to help the business operate smoothly without interruption.</p>
	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	Approximately 23% of the Company's annual standalone turnover for the financial year 2023-24 (consolidated reporting is not applicable to the Company).
2.	Reason and Justification as to why the RPT is in the interest of the Company	<p>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. The Company is advancing the energy system to become more sustainable, flexible and secure whilst balancing social, environmental and economic value.</p> <p>India is becoming a leader in clean tech and its investments have made India a node for exports. Exports are a growth lever for the Company. The Company has been working towards consistent export orders and has invested in building capabilities and networks to sustain the same. Export includes transactions with related party entities and the Company procures and sells products, component, system, renders and receives services from related party entities, including HE Switzerland.</p>

Sr. No.	Particulars	Details
		<p>The business transactions with HE Switzerland includes certain products (ex: Bushing Accessories) wherein the core manufacturing facilities are not available with the Company in India. Therefore, these transactions between the Company and HE Switzerland will provide the common platform for using the same technology for manufacturing certain products.</p> <p>The transactions with HE Switzerland will also contributes for improved export business volumes and product development/ support in India.</p> <p>Further, considering the nature of Research and Development (R&amp;D), complexity, competency required, time frame, amount and also to optimize overall cost, all major R&amp;D efforts are pooled centrally at Hitachi Energy Group level. Certain development activities carried out by the Company are billed to the Group central technology center and reimbursed to the Company. Payments to HE Switzerland also includes license fee for use of technology know-how reported as royalty and technology fees.</p> <p>During the financial year 2023-24, the Company has paid total royalty and technology fees of ₹ 190.15 Crores, out of which ₹ 90.50 Crores was paid to Hitachi Energy Switzerland Ltd. Further, during the financial year 2023-24, Hitachi Energy Switzerland Ltd. was merged with HE Switzerland. Subsequently, ₹ 99.65 Crores was paid to HE Switzerland towards royalty and technology fees. Consequent to this merger, the regular business transaction including royalty/ technology fees transaction will be undertaken with HE Switzerland.</p> <p>However, payment towards royalty and technology fees to HE Switzerland during the financial year 2024-25 shall remain within the threshold limit of 5% of previous year turnover as prescribed under Regulation 23 of SEBI Listing Regulations, 2015.</p> <p>These transactions are necessary, normal and incidental to business, and also plays a significant role in the Company's business growth considering global contracts to aid operational efficiency and achieve business objectives. These transactions are conducted at arm's length and have been undertaken in the past by the Company from time to time, depending on needs of its business. These transactions also help in generating revenue and enhancing the business operations of both the Company and HE Switzerland. Further, all transactions entered into with HE Switzerland complement and are integral to the Company's export strategy.</p>
3.	Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
	a) Details of the source of funds in connection with the proposed transaction	Not Applicable, as the transactions are not related to any loans, inter-corporate deposits, advances or investment made or given by the Company or its subsidiary.
	b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure	
	c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured	
	d) Purpose for which funds will be utilised	
4.	A copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
5.	Any other information relevant or important for the members to make a decision	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.

Mr. Achim Michael Braun, Mr. Ismo Antero Haka and Mr. Nuguri Venu, Directors of the Company are nominated on the Board of the Company by Hitachi Energy Ltd., Switzerland (Promoter Group). Mr. Achim Michael Braun and Mr. Ismo Antero Haka are also in full time employment of Hitachi Energy Ltd. and Mr. Nuguri Venu is in the whole-time employment in the capacity of the Managing Director and Chief Executive Officer of the Company. Hence, they and/or their relatives, may be concerned or interested, financially or otherwise, in this Resolution. None of the other Directors or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in this Resolution except to the extent of their shareholding (if any) in the Company.

The Members may note that as per the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the Resolution set out in Item No. 7.

Basis the consideration and approval of the Audit Committee, the Board of Directors recommend the Ordinary Resolution forming part of Item No. 7 of the accompanying Notice for the approval of the Members.

For **Hitachi Energy India Limited**

**Poovanna Ammatanda**

General Counsel & Company Secretary  
FCS-4741

Place: Bengaluru

Date: May 21, 2024

**Registered Office:**

8<sup>th</sup> Floor, Brigade Opus, 70/401,  
Kodigehalli Main Road, Bengaluru – 560 092  
CIN: L31904KA2019PLC121597  
Phone: 080 68473700

## Annexure I to AGM Notice

Mr. Achim Michael Braun (DIN: 08596097), the Non-Executive and Non-Independent Director, Chairman of the Company is liable to retire by rotation and being eligible, has offered himself for re appointment. Mr. Achim Michael Braun was first appointed as a Director on the Board of the Company with effect from February 25, 2021.

Details of Mr. Achim Michael Braun seeking re-appointment at the 5<sup>th</sup> 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 is appended below:

Name of the Director	Mr. Achim Michael Braun
DIN	08596097
Date of Birth & Age	February 20, 1969 (55 Years)
Nationality	Germany
Date of Appointment on the Board	February 25, 2021
Qualifications	Master's degree in Business Administration from the University of Regensburg, Germany.
Expertise in specific functional area	Power grid business and refer information mentioned above and brief profile section
Shareholding in the Company	NIL
Directorship held in other companies	Hitachi Energy (China) Limited Hitachi Energy USA Inc. (formerly known as ABB Enterprise Software Inc)
Committee positions held in other companies	NIL
Number of Board Meetings attended during the financial year 2023-24	During the Financial Year 2023-24, he has attended all the 4 Board meetings
Relationships with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any other Director and / or Key Managerial Personnel of the Company
Remuneration details (last drawn remuneration including Sitting Fees & Commission)	Not drawing any remuneration or commission or sitting fees in the capacity of Director from the company.
Details of remuneration sought to be paid	NIL
Occupation	Service
Brief Profile	Mr. Achim Michael Braun is the Chairman and Non-Executive Director of the Company. Mr. Achim Braun is the Head of Human Resources at Hitachi Energy Ltd. He joined Hitachi Energy Ltd's predecessor in 2018, serving as Senior Vice President for Human Resources. Prior to this, Achim worked in different leadership roles at Continental, Schaeffler and as Vice President for Human Resources Europe & Africa at the Lear Corporation.
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.

# Board's Report

Dear Members,

The Board of Directors are pleased to present the 5<sup>th</sup> Integrated 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, 2024.

## 1. Financial Summary and Highlights:

Particulars	(Amount in ₹ Crores)	
	FY 2023-24	FY 2022-23
	From April 1, 2023 to March 31, 2024	From April 1, 2022 to March 31, 2023
Revenue from Operations	5,237.49	4,468.51
Add: Other Income	9.29	15.14
<b>Total Income</b>	<b>5,246.78</b>	<b>4,483.65</b>
Less: Total Expenses	5,025.08	4,352.83
<b>Profit before tax</b>	<b>221.70</b>	<b>130.82</b>
Tax expense	57.92	36.92
<b>Profit after tax</b>	<b>163.78</b>	<b>93.90</b>
Add: Other Comprehensive Income	(4.81)	1.74
<b>Total Comprehensive Income</b>	<b>158.97</b>	<b>95.64</b>
Balance of retained earnings transferred pursuant to the scheme of arrangement	-	-
Balance brought forward from the previous year	691.31	608.39
<b>Amount available for appropriation</b>	<b>850.28</b>	<b>704.03</b>
Appropriations:		
Equity dividend paid	(14.41)	(12.72)
Tax on equity dividend paid	-	-
Debenture redemption reserve	-	-
General reserve	-	-
<b>Balance carried forward</b>	<b>835.87</b>	<b>691.31</b>
<b>Key ratios:</b>		
Earnings per share (₹)	38.64	22.16

## 2. Performance Review:

During the financial year ended March 31, 2024, orders touched ₹ 5,536.30 Crores as against ₹ 6,817.20 Crores during the year ended March 31, 2023. The orders witnessed a healthy growth reflecting the technology push and continued traction in transformers and high voltage products. The order backlog at the end of the year stood at ₹ 7,229.53 Crores (March 31, 2023 was ₹ 7,070.91 Crores) which continued to provide visibility to the future revenue streams. The total income for your Company for the financial year ended March 31, 2024, stood at ₹ 5,246.78 Crores (March 31, 2023 was ₹ 4,483.65 Crores), reflecting stability of operations. Profit before tax was ₹ 221.70 Crores (March 31, 2023 was ₹ 130.82 Crores). Accordingly, net profit after tax was ₹ 163.78 Crores (March 31, 2023 was ₹ 93.90 Crores). The earnings per share for the financial year ended March 31, 2024, stood at ₹ 38.64 (March 31, 2023 was ₹ 22.16).

For detailed analysis of the performance, including industry overview, changes, and outlook, please refer to the Management's Discussion and Analysis section of this Report.

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

## 3. Management Discussion and Analysis:

Management Discussion and Analysis 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 Boards' Report.

#### 4. Glimpse of rebranding and consolidation:

Hitachi Energy India Limited (“the Company”) underwent significant transformations since its inception. Firstly, the Scheme of Arrangement (“Scheme”) between (i) ABB India Limited (“INABB”/“Transferor”) and (ii) Hitachi Energy India Limited (“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 as contribution in kind (as disclosed by the Shareholders) on February 5, 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, in the presence of key policy makers and industry leaders. 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 1 – December 31 to April 1 – March 31 during the financial period 2021-22. 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., the 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 the Company. The solid commitment from Hitachi to the

announced acquisition of the remaining shares of Hitachi Energy ahead of plan will help accelerating 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.

#### Re-classification of Promoter/Promoter Group entities of the Company:

During the year under review, the Board of Directors at their meeting held on May 23, 2023 (which adjourned and concluded on May 24, 2023), approved the request received from ABB Asea Brown Boveri Ltd, ABB Switzerland Ltd, and ABB Ltd (“Outgoing Promoters”) under Promoter/ Promoter Group, seeking re-classification from ‘Promoter/ Promoter Group Category’ to ‘Public Category’ under Regulation 31A of the SEBI Listing Regulations. Further, your Company had made an application to National Stock Exchange of India Limited and BSE Limited (collectively referred to as the “Stock Exchanges”) on June 7, 2023, seeking approval for re-classification of the Outgoing Promoters from ‘Promoter/ Promoter Group Category’ to ‘Public Category’.

On October 6, 2023, your Company had received the necessary approvals from the Stock Exchanges vide their letters dated October 6, 2023 and accordingly, ABB Asea Brown Boveri Ltd, ABB Switzerland Ltd, and ABB Ltd, have been reclassified from ‘Promoter/Promoter Group Category’ to ‘Public Category’ in the shareholding of the Company with effect from October 6, 2023. Accordingly, the above Promoters were considered under the ‘Public’ category of shareholders with effect from October 6, 2023.

Also, your Company has received advisory letters from the Stock Exchanges vide their letters dated October 6, 2023. Your Company had filed an application with the Stock Exchanges on June 7, 2023 for re-classification of certain persons from ‘Promoter/Promoter Group Category’ to ‘Public Category’ in accordance with Regulation 31A of the SEBI Listing Regulations. The advisory letters were issued on account of a delay (of 21.5 hours) in filing the intimation, in relation to submission of the aforesaid application, with the Stock Exchanges pursuant to disclosure requirement under Regulation 31A(8)(c) of the SEBI Listing Regulations. The intimation was required to be filed within 24 hours of the filing of the application by the Company. However, there was no impact on financial, operation or other activities of your Company pursuant to the abovementioned advisory letters.

#### 5. Dividend & Reserves:

##### a) Declaration and payment of dividend:

The Board of Directors at their meeting held on May 21, 2024, recommended a final dividend of ₹ 4.00 (Rupees Four only) per equity share for the financial year ended March 31, 2024, 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.

**b) Dividend Distribution Policy:**

In terms of the provisions of Regulation 43A of the SEBI Listing Regulations, the Company has in place a Dividend Distribution Policy, which contains various parameters, basis which the Board of Directors may recommend or declare Dividend. The same is accessible at the Company's website at: <https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies>

**c) Book Closure:**

The Register of Members and Share Transfer Books of the Company will remain closed from August 15, 2024 to August 21, 2024 (both days inclusive) to determine the eligible shareholders to receive the dividend for the year ended March 31, 2024 and accordingly, the record date for dividend will be Wednesday, August 14, 2024.

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.

**d) Unclaimed dividends:**

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

**e) Transfer to Investor Education and Protection Fund:**

As per Section 124 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. In line with the applicable provisions and after completion of seven consecutive years, the Company will transfer the said shares, after sending an intimation of the proposed transfer in advance to the concerned shareholders, as well as publish a public notice in this regard.

Further, pursuant to the Scheme of Arrangement [entered into between (i) ABB India Limited ("INABB"/"Transferor") and (ii) Hitachi Energy India Limited ("the Company") and their respective shareholders and creditors] approved by National Company Law Tribunal, Bengaluru Bench 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 up to financial year 2023-24 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>

**f) 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, 2024, 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, 2024, 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 shares.

**7. Material Changes and Commitment affecting the Financial Position:**

There were no material changes affecting the financial position of the Company that took place after the close of the financial year 2023-24 till the date of this Report.

**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 ₹ 150 Crores as on March 31, 2024, utilized from the established credit lines with banks.

CRISIL Ratings Limited has reaffirmed the long-term and short-term credit ratings for ₹ 6,000 Crores bank loan facilities 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 August 29, 2023.

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

## 11. Board of Directors and Key Managerial Personnel:

The Board of Directors of the Company comprises of eminent persons with proven competence and integrity. Besides the experience, strong financial insight and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the Meetings.

As at March 31, 2024, the Board of Directors comprised 6 Directors of which 1 is Executive Director, 2 are Non-Executive, Non-Independent 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 (DIN: 01452839), Ms. Akila Krishnakumar (DIN: 06629992) and Ms. Meena Ganesh (DIN: 00528252) are the Independent Directors.

The composition of the Board of Directors is in due compliance with the Companies Act, 2013 and SEBI Listing Regulations.

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.

### Change in Composition of Board of Directors:

During the year under review, Ms. Nishi Vasudeva (DIN: 03016991) resigned from the position of Independent Director of the Company effective from May 24, 2023. The Board places on record its appreciation for the valuable contributions made by Ms. Nishi Vasudeva during her tenure as an Independent Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their Meeting held on May 24, 2023, has 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) consecutive years effective from May 24, 2023 to May 23, 2028.

The Board of Directors is of the opinion that Independent Director appointed during the year under review possess necessary expertise, integrity and experience.

### Appointment/ Re-appointment of Directors:

Based on the recommendation of the Board of Directors, the Shareholders at the fourth Annual General Meeting held on August 17, 2023, approved the:

- Re-appointment of Mr. Ismo Antero Haka (DIN: 08598862), Non-Executive Director who retired by rotation.
- Appointment of Ms. Meena Ganesh (DIN: 00528252) as an Independent Director for a term of five (5) consecutive years effective from May 24, 2023 to May 23, 2028.

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. Achim Michael Braun (DIN: 08596097), Director, will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

A brief resume of Mr. Achim Michael Braun (DIN: 08596097) proposed to be re-appointed, the nature of his expertise in specific functional areas and names of the Companies in which he holds Directorship/ Membership/ Chairmanship of the Board or Committees, as stipulated under SEBI Listing Regulations has been provided as an annexure to the Notice convening the 5<sup>th</sup> Annual General Meeting.

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.

### 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 Regulations and they have registered their names in the Independent Directors' Databank.

The Independent Directors have also given their undertaking 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 fulfill their duties objectively and independently.

### Familiarization Program for Independent Directors:

The Company has a program in place to familiarize its Independent Directors. The program's primary objective is to familiarize 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 programs 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** to this Report.

### **Annual Performance Evaluation of the Board, its Committees and individual Directors:**

The Board, along with the Nomination and Remuneration Committee, approved a criteria 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 Regulations 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 are 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 giving feedback to each Director. Accordingly, feedback was provided to Directors.

## **12. Board Meetings:**

During the year under review, the Board of Directors of the Company met four (4) times viz., (1) May 23, 2023 (which was adjourned and concluded on May 24, 2023); (2) July 25, 2023; (3) November 6, 2023 and (4) January 23, 2024.

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on July 25, 2023.

The attendance of the Directors in the meetings are provided in the Corporate Governance Report forming part of this Report.

### **Committees of the Board:**

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

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. Risk Management Committee
- v. Corporate Social Responsibility Committee
- vi. Environment, Social and Governance Committee

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

Further, pursuant to resignation of Ms. Nishi Vasudeva and appointment of Ms. Meena Ganesh as Independent Director of the Company, the Board of Directors at their Board Meeting held on May 23, 2023 (which adjourned and concluded on May 24, 2023) has reconstituted the composition of certain Committees with effect from May 24, 2023, details have been included in Corporate Governance Report which forms part of this Board's Report.

### 13. Directors' Responsibility Statement:

Pursuant to the provisions of Section 134(5) of the Act, the Directors confirm that, to the best of their knowledge and belief:

- 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 had 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 had 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 Regulations, 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.

The Statutory Auditor's Report on the financial statements for the financial year ended March 31, 2024, does not contain any qualifications, reservation, adverse remarks or disclaimer which requires any explanation from the Board of Directors.

### 16. Cost Audit and Cost Auditors of the Company:

As per requirements of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to make and maintain cost records for certain products as specified by the Central Government. Accordingly, the Company has, during the year under review, in accordance with Section 148(1) of the Act, the Company has maintained the accounts and cost records, as specified by the Central Government.

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 2024-25, on a remuneration as stated in notice convening the Fifth Annual General Meeting Notice dated May 21, 2024 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 5<sup>th</sup> Annual General Meeting of your Company and same is recommended for your consideration. Cost Audit and Compliance reports for the financial year 2022-23 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 2023-24.

The Secretarial Audit Report (Form MR-3) for the financial year ended March 31, 2024, is annexed herewith and marked as **Annexure-D** to 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 had branch offices in Nepal, Bangladesh and Sri Lanka. All these branch offices continue to be 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 in the Third Annual General Meeting held on July 22, 2022, for authorizing the Board of Directors/ Audit Committee to appoint Branch Auditors of any branch office of the Company from time to time.

The Board of Directors at their Meeting held on May 23, 2023 (which adjourned and concluded on May 24, 2023) has appointed the following branch auditors for the Branch Offices of the Company to conduct the audit for the financial year 2023-24:

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 Committee and Business Responsibility and Sustainability Report (BRSR):

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

The Company has constituted Environment, Social and Governance (ESG) Committee in the Board Meeting held on October 22, 2021.

During the financial year under review, the Environment, Social and Governance Committee was reconstituted by inducting Ms. Meena Ganesh, Independent Director as member of the Committee with effect from May 24, 2023 in place of Ms. Nishi Vasudeva, Independent Director, who ceased to be a member of the Environment, Social and Governance Committee upon her resignation as a Director of the Company with effect from May 24, 2023.

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, or made investments within the meaning of Section 186 of the Act.

## 25. Borrowing Limits:

The existing borrowing limits of the Company is ₹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.

## 26. Related Party Transactions:

The Board of Directors have 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. In addition, during the financial year 2023-24, the Company has obtained the Shareholder approval through Postal Ballot for material related party transactions with Hitachi Energy Sweden AB for the financial year 2023-24.

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:

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations and is in line with the requirements of the regulations. Further, 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 of this report which forms part of this report.

## 28. Audit Committee:

During the year under review, the Audit Committee was reconstituted by inducting Ms. Meena Ganesh, Independent Director as member of the Audit Committee with effect

from May 24, 2023 in place of Ms. Nishi Vasudeva, Independent Director, who ceased to be a member of the Audit Committee upon her resignation as a Director of the Company with effect from May 24, 2023.

The powers and role of the Audit Committee are included in the Corporate Governance Report, which forms an integral part of the Integrated Annual Report. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

## 29. Reporting of frauds:

During the year under review, there have been no instances of fraud reported by the Statutory Auditors, Cost Auditors and Secretarial Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Audit Committee and/or Board or to the Central Government.

## 30. Whistle-Blower Policy/Vigil Mechanism:

Pursuant to Section 177(9) of the Act and Regulation 22 of LODR, the Company has adopted a whistle-blower policy/vigil mechanism for Directors, Employees and third parties to report their concerns about unethical or inappropriate 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 whistle blower / vigil 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/about-us/integrity/reporting-channels/whistleblower-protection-policy>.

During the year under review, the Complaints received under the said policy were / are being investigated.

## 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 is chaired by an Independent Director, which assists the Board in monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems and such other functions as mandated under the SEBI Listing Regulations and as the Board may deem fit from time to time.

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.

During the financial year under review, the Risk Management Committee was reconstituted by inducting

Ms. Meena Ganesh, Independent Director as member of the Committee with effect from May 24, 2023 in place of Ms. Nishi Vasudeva, Independent Director, who ceased to be a member of the Risk Management Committee upon her resignation as a Director of the Company with effect from May 24, 2023.

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 Integrated Annual 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#policies>

For the financial year 2023-24, the Company has spent ₹ 1.51 Crores on CSR activities. 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** to this Report.

### **33. Annual Return:**

Pursuant to Section 92(3) of the Companies Act, 2013, 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-general-meeting>.

### **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 Rule 8(3) Companies (Accounts) Rules, 2014, is provided in **Annexure-G** to 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 Integrated Annual Report is being sent to the Shareholders and others entitled thereto excluding the aforesaid disclosure. In pursuance of second proviso of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if any Shareholder interested in obtaining the same may write to the Company Secretary & Compliance Officer at [investors@hitachienergy.com](mailto:investors@hitachienergy.com).

In accordance with Section 136 of the Act, this disclosure is available for inspection by Shareholders through electronic mode.

### **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 toward 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 *inter-alia* workplace harassment concerns/ related incidents. The sexual harassment complaints as received via this portal was investigated / being investigated 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. Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof:**

During the financial year under review, the Company has not made any one-time settlement with the banks or financial institutions, therefore, the same is not applicable.

### 39. 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, pursuant to 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, 2024, stood at ₹61.17 lakhs consisting of 19,897 Members eligible for the value of such fractional shares and the total amount remained unpaid as on March 31, 2024, stood at ₹2.10 lakhs pertaining to 722 Members eligible for the value of such fractional shares.

Further, on November 26, 2022 and May 30, 2023, reminder letters were 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.

### 40. Acknowledgments:

The Board of Directors wishes to place on record their appreciation for the guidance and cooperation received from its parent Company, its customers, members, suppliers, investors, 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**

**Achim Michael Braun**

Chairman  
DIN: 08596097

Place: Bengaluru  
Date: May 21, 2024

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# Annexure - A to Board's Report

## Management Discussion & Analysis

### Industry structure and developments

#### Economic and market overview

The last decade has been a transformative one for the Indian economy. In 2014, India was the world's 10<sup>th</sup> largest economy and now it has grown to become the 5<sup>th</sup> largest. The country has managed to overcome setbacks due to COVID-19, buck global recessionary trends, overcome risks and challenges posed by volatile logistics and supply chains, while contending with inflationary tendencies and rising interest rates.

Even as the pace of change accelerates, the global economy is tracking a measured yet definite road to recovery. Demonstrating resilience, growth is expected to maintain a subdued yet stable pace, with growth in employment and incomes held by favorable demand on both demand and supply side. Global inflation is forecast to decline steadily, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, while core inflation is set to decline gradually.

The impact of international trade as a growth driver is reducing, with global trade growth dropping to 0.6% in 2023; but is expected to recover to 2.4% in 2024. Shift in consumer spending from goods to services, rising geopolitical tensions, supply chain disruptions, and the lingering effects of the pandemic have emerged as key factors impeding global trade.

The International Monetary Fund (IMF)'s baseline forecast has the world economy growth being maintained at the same rate as 2023, at 3.2% in 2024 and 2025. Advanced economies are expected to rise modestly from 1.6% to 1.7% in 2024, and to 1.8% in 2025, but this will be offset by modest slowdown in emerging economies from 4.3% in 2023 to 4.2% in 2024 and 2025. However, over a five-year horizon, global growth is forecast at 3.1%, which is a historical low over several decades.

Developing countries face high levels of external debt and rising interest rates, making access to international capital markets difficult. There's a decline in official development assistance and foreign direct investment for low-income countries.

India, the third-largest economy in Asia, grew 8.4% in the third quarter for FY 2023-24 as opposed to a growth rate of 7.6% recorded for the second quarter of the same financial year. This comes on the back of double-digit growth in the manufacturing sector (11.6%), followed by a good growth rate of the construction sector (9.5%). The National Statistical Office's second advance estimates have pegged India's real GDP growth in FY 2023-24 to be 7.6% as against growth rate of 7.0% in FY 2022-23. The strong growth trajectory is expected to continue in FY 2024-25 backed by robust domestic demand stemming from continued growth in business and consumer confidence levels. Based on this, the IMF's growth projections were raised by 30 basis points to 6.8% in its update to the World Economic Outlook (WEO) in April 2024.

The Indian economy is better placed than ever to take on the challenges of growth because of the policies adopted and infrastructure foundations implemented in the last decade. The central government has built infrastructure at a historically

unprecedented rate, and it has taken the overall public sector capital investment from ₹ 5.6 Lakhs Crores in FY15 to ₹ 18.6 Lakhs Crores in FY24, as per budget estimates. That is a rise of 3.3X, reinforcing the government's thrust on infrastructure development that is equitable and inclusive, through enhanced capital expenditure. This aligns with the government's focus on the four I's of Infrastructure, Investment, Innovation and Inclusion over the next 25 years. The country has witnessed transformative physical and digital infrastructure growth in the last ten years.

While the Reserve Bank of India held interest rates at 6.5% as of April 2024, retail inflation had also eased to 4.85% in March 2024. The Index of Industrial (IIP) production saw an IIP value of 153.5 in January, the highest in FY 2023-24.

The power sector remains in focus as a critical service powering industrial and economic growth. India's installed power capacity is expected to reach 616 GW by 2027 and to 900 GW by 2032, up from 442 GW in March 2024.

Expecting this increase in demand for power, and the continuing need to expand and strengthen the grid, National Committee on Transmission (NCT) has approved about 10 new transmission projects worth over ₹ 6,600 Crores, allowing them to receive bids.

Underscoring efforts to transition to a clean-energy future, India added a record 18.48 GW of renewable energy capacity in FY 2023-24, a 21% increase over capacity addition in FY 2022-23. At ~11% growth, renewable power including large hydro grew from 172 GW to 191 GW in FY 2022-23. The Government has put in place an ambitious plan to grow 191 GW to over 650 GW including BESS growing at a CAGR of over 19% per annum from FY 2023-24 to FY 2031-32.

The government is betting big on solar to play a key role in achieving India's renewable energy targets. With an allocation of ₹ 24,000 Crores, the government's Production Linked Incentive (PLI) scheme will help achieve manufacturing capacity of Giga Watt scale by promoting innovation and incentivizing technologies that aid production of high efficiency solar PV modules.

To further harness the potential of renewable energy from solar and wind energy, the Cabinet approved the Scheme for Viability Gap Funding (VGF) for development of Battery Energy Storage Systems (BESS) in September 2023. By providing financial support of up to 40% of the capital cost as budgetary support in the form of VGF, a total of 4,000 megawatt-hour (MWh) of BESS projects are to be developed by FY 2030-31. To ensure that the benefits reach consumers, a minimum of 85% of the BESS project capacity will be made available to Distribution Companies (Discoms) to bring down the cost of storage.

#### Power sector overview

Consistent sectoral reforms and new policy initiatives have underlined a period of rapid transformation across India's electricity supply chain. Greater thrust on integration of

renewables and advanced digital technologies have enabled India to take powerful strides toward its decarbonization objectives. However, there is more to be done to expand and modernize power grid infrastructure, given the pace of economic expansion and urbanization that the country is experiencing. Grid modernization must be a key area of consistent focus to lay a strong foundation to power India's growth.

This growth must be balanced with consideration for a clean energy future. The Paris Agreement sets a worldwide goal of limiting global warming to 1.5 °C above pre-industrial levels. With the impacts of climate change becoming increasingly frequent and more severe every year, reaching this goal has become even more imperative. As the largest source of greenhouse gas emissions, the energy sector needs to accelerate efforts to by finding multiple pathways to decarbonize. According to the 'CO<sub>2</sub> emissions in 2023' report published by the International Energy Agency (IEA) in March 2024, global energy-related CO<sub>2</sub> emissions grew by 1.1% in 2023, increasing by 410 million tonnes (Mt) taking total emissions to a record level of 37.4 billion tonnes (Gt). Emissions from coal accounted for more than 65% of such increase.

Investment in the energy sector, especially in clean energy, is growing but not at a pace sufficient to meet India's net-zero emissions goal by 2070. As per the International Energy Agency's (IEA) updated Net Zero Roadmap released in October 2023, limiting global warming to 1.5°C will require annual clean energy investment to reach nearly ₹ 375. 21 Lakhs Crores (\$ 4.5 trillion) by 2030. In January 2024, R.K. Singh, then Minister of Power and New & Renewable Energy stated that an investment of ₹ 17.05 Lakhs Crores (\$ 204.16 billion) is in the pipeline for the power and renewable energy sector. As per independent energy think tank Ember's 'Beyond Tripling' report published in November 2023, India would need an investment of ₹ 24.43 Lakhs Crores (\$ 293 billion) between 2023 and 2030 to meet the 14<sup>th</sup> National Electricity Plan targets. An additional investment of ₹ 91,718 Crores (\$ 110 billion) would be required to align with the IEA's net zero pathway.

A 'build big' mentality will enable the electricity transmission and distribution grids to expand by around two million kilometers each year to 2030 to meet the net zero goals. While much of the momentum today is in small, modular clean energy technologies like solar PV and batteries, these alone are not sufficient to deliver net zero emissions. It will also require new, smarter, and repurposed infrastructure networks, large quantities of low-emissions fuels, more nuclear power, and large land areas for renewables. Rapid progress in carbon capture, utilization, and storage (CCUS), hydrogen and hydrogen-based fuels, and sustainable bioenergy will also be critical to achieving net zero emissions.

To mitigate the impact of climate change, the Indian government has made focused efforts to promote the use of renewable energy and shift away from coal. This has resulted in renewable energy sources, including large hydropower, having a combined installed capacity of 190.57 GW as of March 2024.

In FY 2023-24, India added a record renewable energy capacity of 18.56 GW, over 21% higher than 15.27 GW a year ago. During the period, the total renewable energy installed capacity sees

solar at the top of the chart at 81.81 GW, followed by about 46 GW of wind energy, 10.9 GW of biomass cogeneration, and 5 GW of small hydro (up to 25 MW capacity each). Installed solar energy capacity has increased by 30 times in the last nine years.

The Central Electricity Authority (CEA) released its roadmap last year to integrate over 500 GW of renewable capacity by 2030. An annual capacity addition of 50 GW for the next six years will be required to meet this target. Digitalization will help speed up the integration of renewables, keeping the focus on grid stability and flexibility to absorb the influx of renewables.

On the demand side, in FY 2023-24, peak demand increased by 12.7% to 2,43,271 MW in FY 2023-24 from 2,15,888 MW during the same period in FY 2022-23.

All India peak shortage has reduced to 1.4% (3,340 MW) with respect to 4.0% (8,657 MW) during the same period the previous year. This could be credited to the government's efforts to transform the power sector from power-deficient to power-sufficient by adding 1,94,394 MW of generation capacity in the past nine years.

The present installed capacity of power generation is around 4,41,970 MW. Out of the total generation capacity of 25,911 MW added in the current year FY 2023-24, 5,948 MW is from fossil fuel sources and 19,963 MW is from non-fossil fuel sources. During the year, 18,563 MW of renewable capacity consisting of 15,033 MW of solar, 3,254 MW of wind, 139 MW of biomass, 59 MW of small hydro and 78 MW of large hydro generation capacity has been added.

Demand increased on the back of the success of country-wide electrification - every village and household has been electrified. The availability of power in rural areas has increased from 12 hours in 2015 to 20.6 hours and in urban areas it has increased to 23.8 hours.

Grid expansion continued to cater the increasing demand for power. During 2023, 14,390 km of transmission lines, 61,591 MVA of transformation capacity and 4,290 MW Inter-regional Transfer Capacity have been added. In the last nine years, with the addition of 1,87,849 ckm (64.48% increase), the transmission network of 4,79,185 ckm has evolved as the largest national synchronous grid in the world. The total inter-regional capacity to transfer power from one region to another is enhanced to 1,16,540 MW (224.17% increase) from 35,950 MW in the last nine years. Total transformation capacity (220 kV & above) is 12,13,313 MVA (128.69% increase) with an addition of 6,79,327 MVA in the last nine years. Investments in grid expansion continue, with the National Committee on Transmission (NCT) issuing the green signal for four new Interstate transmission system (ISTS) projects valued at ₹ 737 Crores.

Further investments have been lined up to strengthen transmission and distribution, scheduled to take place by 2027. Inter-regional transmission capacity is expected to reach 1,43,850 MW; to meet the requirements of substations, transmission lines, etc. for renewables an estimated investment of ₹ 2.44 Lakhs Crores will be done at a rate of ₹ 1.07 Cr/MW; to facilitate renewable energy and wider distribution of power, plans are for the HVDC circuit to grow to 23,675 ckm with a carrying capacity of 12,000

MW. Additionally, more than 30 STATCOM projects have been lined up for installation along transmission networks with a total budget of ₹ 1.1 Lakhs Crores for reactive circuits by 2027.

Several schemes and incentives are in place, that form key steps in the right direction to bring in cutting-edge clean energy technology and address increasing, long-term power demand.

The government's Production Linked Incentive (PLI) Scheme for National Program on High-Efficiency Solar PV Modules and Viable Gap Funding scheme for BESS projects intend to increase generation and storage of renewable energy.

The Strategic Interventions for Green Hydrogen Transition (SIGHT) Program is a major financial measure under the Mission with an outlay of ₹ 17,490 Crores. The program consists of two distinct financial incentive mechanisms to support the domestic manufacturing of electrolyzers and the production of Green Hydrogen. Request for Selection (RfS) has been issued for the Selection of Green Hydrogen Producers for Setting up Production Facilities of 450,000 tons for Green Hydrogen in India under the Strategic Interventions for Green Hydrogen Transition (SIGHT) Scheme (Mode-1-Tranche-I). Request for Selection (RfS) has been issued for the Selection of Electrolyser Manufacturers (EM) for Setting up 1.5 GW annual Electrolyser Manufacturing Capacities under SIGHT Scheme (Tranche-I).

The 'Offshore Wind Energy Lease Rules, 2023 to regulate the allocation of offshore wind sea blocks to developers have been notified in September 2023. A revised strategy for development of offshore wind energy projects has been issued, indicating a bidding trajectory for installation of 37 GW capacity of Off-shore Wind Energy.

The PM Surya Ghar: Muft Bijli Yojana scheme provides free electricity to one Crores households that opt to install rooftop solar electricity units. Under the said scheme, the households will be able to get 300 units of electricity for free every month. The scheme focuses on the household segment with up to 3 kW system, which covers most of the residential consumers in India.

The power sector further sees increasing demand from industry, data centers and transportation.

Industry demand for power is being revived through private CAPEX investments in hydrogen, steel, O&G and cement that have aggressive expansion plans with opportunities of over ₹ 4000 Crores in FY 2024.

With digitalization only gathering speed across sectors, data center capacity in India is expected to double to ~1,700-1,800 MW by FY 2024-25, powered by a data boom, digital adoption and local data storage mandates. Data center capacity is expected to double by 2025 with investments from major players to the tune of ₹ 40,000 Crores, as per a report by Crisil. As per NASSCOM, investments in data centers in India will reach ₹ 41,690 Crores (\$ 5 billion) per annum by 2025 .

Transportation is led by the electrification of vehicles, modernization of railways and expansion of metro rails and urban rail.

Policy focus on EV manufacturing supported by new tax incentives will position India as an EV manufacturing destination

while boosting domestic sales. FY 2023-24, India saw an impressive 41% annual increase in sales with 1.66 million EVs sold, averaging 4,562 EVs per day, a marked uptake from the 3,242 daily sales in FY 2022-23. March alone set a new monthly record with over 1.97 Lakhs units sold, partly owing to the rush to buy before the end of the FAME-II subsidy scheme. Introduction of the Electric Mobility Promotion Scheme 2024, with a budget of ₹ 500 Crores, will continue to support the purchase of electric two- and three-wheelers until July 2024.

Modernization, electrification and expansion dominate the efforts of the rail sector, both for railways and urban transit metro rail.

As a main driver for the PM GatiShakti scheme that lays out a massive budget of ₹ 100 Lakhs Crores, new railway corridors have been announced by the Central Government to enhance connectivity between ports, industry and high traffic commuters. With 94% electrification of its broad-gauge network, the Railways are racing to meet the 100% electrification goal and achieve the Indian Railway target of net zero by 2030. In addition, railway modernization is being driven by safety and developments in high-speed rail and high-density corridors.

India's metro rail network is well on the way to becoming the world's second largest, expanding at an unprecedented pace. Expansion is planned at a rate of 175 to 200 km per annum over the next seven years. The metro network is set to expand from the current operational 851 km to around 1,985 km over the next five to seven years, taking India's investment in metros to ₹ 6,838 Crores.

With the accelerated pace of urbanization, industrialization and electrification, India's power consumption is expected to rise by 6.1% in 2024 when it is expected to surpass the power demands of Japan and Korea combined.

## Segment and product wise performance

### Operational overview

As the pace of change accelerates on every front, electricity will be the backbone of the energy system. With India set to take its place as the fastest growing G20 country, the power sector must balance clean energy with maximum growth impact. With approximately five years to 2030, India is drawing close to realizing the first phase of meeting its renewable energy targets. Hitachi Energy India Limited has been at the forefront of enabling the many pathways to energy transition across geographies and segments to ensure a sustainable energy future for all.

Since commencing standalone operations in 2019, Hitachi Energy India Limited has played a strong role in ensuring a resilient, flexible grid, adapting with new technologies and offering customers the benefits of digitalization. Over the FY 2023-24, the overarching energy transition in India has been driving broad-based order momentum. Your Company's 360° framework for collaborative energy transition included leading the conversations, working with customers and suppliers, as well academia to unify the vision for India's clean-energy future. Hitachi Energy India Limited's priorities through the four quarters were focused around strengthening market leadership in core segments while also expanding orders in service, exports and digital, and harnessing new segments and markets.

On the business front, the emphasis was on striving towards sustainable operations and operational excellence across manufacturing and functional processes, optimizing order backlog execution for revenue and profitability accretion, overcoming external supply chain constraints, driving focus on cash, and most importantly, continuing to reinforce a culture of health, safety and environment by percolating the safety mindset across all levels of project sites and factories.

Lastly, keeping sustainable progress at the heart of our efforts, the focus was also on profitable and sustainable growth initiatives, partnering with customers and suppliers as well as upskilling and cross-skilling talent to accelerate towards a sustainable and agile energy transition.

Your Company is proud to report that at the close of FY 2023-24, total orders stood at ₹ 5,536.3 Crores, up 14% (excluding HVDC) from the corresponding last twelve months, while revenue stood at ₹ 5,246.8 Crores with a 17% increase during the same period. This underscores its commitment to build and deliver sustainable shareholder value.

### Health, safety and sustainability

At Hitachi Energy India Limited, the active management of health, safety, and environmental performance is at the core of everything we do and the basis of our license to operate. Your Company places health and well-being at the heart of its operations to create an empowering and rewarding work environment for all employees. It recognizes that a holistic approach to employee health and well-being can foster a thriving workforce and increase employee engagement, productivity, and talent retention.

In keeping with the Company's 'Zero Harm Policy', emphasis was placed on Life-saving Rules (LSR) across the organization. Constant LSR trainings, workshops and activities have helped raise awareness on safety and build a safety culture. Safety by design is also emphasized with digitalization being applied whenever possible to create safe environments and encourage safe behaviors.

Health and wellness were prioritized through initiatives that support physical and mental health and well-being. These include medical assistance as well as year-long programs that encourage mental wellness. In addition, leadership awareness sessions at various levels reinforced the need to prioritize health.

As we help customers, partners and communities move towards a carbon-neutral future, your Company has strengthened its commitment to being environmentally sustainable with our Sustainability 2030 initiative.

As a first-step target to pursue carbon-neutrality in the Company's own operations, your Company has made the shift to 100% fossil-free electricity. This was achieved through various initiatives such as solar roof top installations at Maneja and Doddaballapur factories which have an installed capacity of 932 kW and 600 kW meeting ~20-30% of electricity requirement of each factory. Mysuru factory entered into power purchase agreements (PPA) which enabled sourcing renewable electricity to meet nearly 90% of the facility's electricity requirement. The carbon emissions due to consumption of remaining grid electricity has been offset by purchasing International Renewable Energy Certificates I- REC.

Apart from electricity initiatives were taken to transition to low-carbon fuels in Mysuru, Maneja and Halol. At Mysuru, biofuel in the form of waste paddy husk and waste dust from board manufacturing are used as alternate fuels to furnace oil for the boilers. Maneja and Halol replaced LPG with low carbon PNG for their operations. Maneja also replaced their old R22-based 22 TR HVAC system with R410A HVAC which has high COP (Coefficient of Performance) thereby avoiding 20 tCO<sub>2</sub>e emission per annum.

The Company has also invested in many energy conservation initiatives. At Maneja, an energy monitoring system has been installed to monitor electricity consumption patterns. Seven HT/LT substations and 53 energy meters are connected to the smart energy monitoring system. This facilitates real time data on energy consumption patterns, allowing actions to be taken to reduce energy consumption per unit of production.

Lighting improvements were made by replacing conventional lights to LED at Mysuru and Halol. Additionally, replacement of old equipment such as five S/D starters and faulty capacitors and chiller at Mysuru helped increase energy efficiency.

A dedicated 5.5 kW compressor for the casting plant at Savli has also resulted in considerable energy savings.

Various process improvements were also made for energy savings including automating the operation of HVAC by installing Bluetooth-based time switch; motorizing MCCB and wiring modification in the canteen at Maneja; stopping fresh air circulation in ovens by turning off burners and provision of thermal insulation to the hot lines, as well as stopping the operation of spray nozzle pumps of AHUs during the monsoon and winter at Halol.

Our sites have also migrated to battery operated forklifts to reduce dependency on diesel.

Our project sites have also taken initiatives to make their operations clean using solar power. At Mumbai Infeed HVDC project site 15 kW; 545-watt Mono PERC modules (24 nos) are used to power the staff office. Six sets of solar-based mobile charging equipment, with three lights and two USBs are installed in rest sheds and at the worker colony. Further, seven CNG vehicles are used for site transportation instead of petrol or diesel vehicles. Six of the GPQS project sites use solar roof top for their offices and worker sheds.

The above initiatives have resulted in nearly 88% reduction in our emissions and 9% reduction in energy consumption since 2019.

The Company has also taken several measures to reduce water consumption. Water is an important resource that needs to be conserved since most regions in India are water stressed. At Maneja, 23 water meters are installed in the water distribution network to map water consumption pattern of individual factories and their utilities are tracked for leakage. This has resulted in reduction of water wastages by 132 kl/Day which is 28.43% of total water consumption. In the Maneja canteen, rejected water from the RO Plant is used in cleaning of washing of utensils and floors which has resulted in saving of fresh water to ~14 kl/Day (4.56% of total water consumption).

Savli has arrested water leakages and has optimized water usage resulting in reduction of fresh water consumption by 30.8% compared to last year.

Rejected RO water and STP treated water were used for sanitation purposes at Mysuru and Doddaballapur respectively.

The company has taken several steps to minimize waste across in its operations by reducing, re-using and recycling. Nearly 65,000 paper cups were eliminated per month at Peenya and Doddaballapur facilities resulting in avoidance of ~5MT of waste generation. Board dust reused as biofuel in the boiler in the form of briquettes at Mysuru. From Jan 2021 – Dec 2023, 712 MT of dust was re-used and not disposed as waste. Waste paddy husk used in boilers at Mysuru and the resulting boiler dust from paddy husk is reused as soil conditioner thereby promoting circularity. At Peenya, wood waste is reused to make various articles such as planter boxes, pen stands etc. preventing their disposal.

Overall, the company has invested ~ ₹ 1.4 Crores on various environmental initiatives.

Your Company is also among the first to form a board-level ESG committee for an integral link between sustainability and business strategy while enabling course correction when needed.

### **New technologies; new capabilities**

Your Company's sustained focus on Research & Development to foster impactful innovations is further bolstered by continued access to cutting edge research at a global level. Such R&D activities are carried out externally across facilities and technology centres across the globe as well as at a local business level.

A culmination of these efforts will enable your Company to consolidate its position as a market leader in pioneering digital technologies.

In a bid to expand its capabilities and offerings in the year under review, your Company's High Voltage business hub office was inaugurated to serve as the nodal point for the Business Unit.

Technology enhancements to the industry-leading SAM600 and the Lumada asset performance management software solution have helped improve the demonstrative range of digital capabilities at the macro and micro levels. By addressing basic and critical requirements for accelerated digital adoption and better asset management at the digital substation and individual asset layers, your Company is continually augmenting the breadth of its current portfolio.

During the period under review, global entity Hitachi Energy Ltd. acquired controlling stake in eks Energy from Powin in order to broaden capabilities in advanced power electronics and energy management software.

The HVDC and Power Quality factory was inaugurated in Chennai in February 2023 to build capacity in tandem with the steady rise in HVDC projects locally and globally – a key cog in the transition to clean energy. By leveraging long-standing know-how in energizing India's landmark power superhighways, your Company overcame a series of engineering and other challenges to begin assembly of G5 HVDC converters as part

of the Mumbai Infeed Project. Production for type testing and validation will mark the first phase.

## **Discussion on financial performance with respect to operational performance**

### **Performance during the reporting period**

Your Company's success results from its focused strategy, diversified portfolio, relentless pursuit of improving the bottom-line, and balancing operational complexity and efficiencies to preserve the growth momentum. While the year witnessed challenges such as external supply chain risks, food and oil supply shocks, the chips & electronics shortage, the semiconductor crunch eased but inventory backlog issues persisted.

The order pipeline was led by data centers and renewables, along with digitalization, electrification and transmission projects, backed by robust growth in exports and service orders. The Company closed the year with an order backlog at ₹ 7,229.5 Crores, which provided a strong future revenue visibility. Orders for FY 2023-24 were up by ~14% YoY over the corresponding period of FY 2022-23, excluding HVDC. During the year under review, your Company had some significant order wins including, but not limited to:

Renewable evacuation and integration:

- 400 kV GIS export orders from Singapore & Greece
- Exide Energy: 220 kV GIS S/S and Dry Type Transformers
- Alfanar Energy: 2 x 220 kV / 33 kV AIS S/S
- Linxon Sweden: 245 kV AIS Switchgear a/c Tanzania SGR
- Tata Power Solar: 220 kV / 33 kV AIS substation
- Ayana Renewable: 300 MW EBOS & 4000 kV AIS S/S for Bikaner
- Bhutan Power: 66 kV GIS S/S
- Techno Electric: 2 x CRP+SAS packages for 765 kV S/S
- Adani Green: 220 kV & 400 kV AIS S/S
- MEIL: 9 x 400 kV GIS & 400 kV reactors for a national hydro power company
- BHEL: 9 x 400 kV GIS for distribution company in east India
- REE Spain: 16 x 66 kV GIS

Green corridors & state networks:

- Sterlite Power: 600MVA Fatehgarh-3 Statcom
- 400kV GTs for Ratle Hydro electric project
- PGCIL: 6 x 500 MVA 765 kV transformers
- UPPTCL: 4 x 765 kV Transformers
- Eiffage France: 220 kV & 110 kv Transformers for Senegal
- Prime Group: 330/145 kV LTB/IT/DS order for Azerbaijan

**Transport:**

- Chittaranjan Locomotive Works: 157 x LOT 6500 Traction transformers
- Banaras Locomotive Works: 47 x LOT6500 – Traction transformers
- Alstom: Traction Transformer for DMRC & CMRL
- L&T: Automation & 132 kV GIS for CMRL
- L&T: Dry and Power Transformers for CMRL Phase II

**Data centers:**

- Adani: Power Transformer order for Microsoft Datacenters
- Adani Connex: 220 kV GIS Substations at Pune for Microsoft DC

**Automation & digitalization:**

- Linxon Sweden: Automation package for Tanzania SGR
- Bhutan Power System Operator (BPSO): SCADA EMS System at NLDC Bhutan

Your Company booked orders for the financial period under review – April 2023 to March 2024 – total of ₹ 5,536.3 Crores, and revenue was ₹ 5,246.8 Crores. Profit-before-tax was ₹ 221.7 Crores and profit-after- tax ₹ 163.8 Crores.

**Service**

With over ₹ 83,383 Crores (10 BUSD) installed base in India across generation, transmission and industrial electric power systems, Hitachi Energy India Limited recognizes that leveraging this existing infrastructure will prove to be a good start to addressing the energy transition goals. By identifying the unique roadblocks and requirements in every customer's journey to sustainability, the Company's expert service teams chart out individual customer and asset roadmaps. This enables them to provide customized solutions in a phased manner, covering the entire lifecycle of all energy assets while enabling long-term business planning. Working closely with its customers, your Company helps them manage and safeguard asset performance to ably fulfil business requirements.

Service proved to be a consistent growth lever for the Company, with orders for renewable studies proving industry intent towards the energy transition, as well as trainings and upskilling also preparing the workforce. HVDC studies and spares dominated across the year, as well as products for industry and utilities. Services were also seen to grow in demand from other countries such as Maldives, Qatar, Bhutan and Saudi Arabia. Besides other traditional products, SCADA also saw replacement and service related orders.

Over FY 2023-24, service orders were up by 43% YoY, and accounted for 8% of your Company's revenue. Service orders included replacement equipment, Annual Maintenance Contracts (AMCs) and upgrades, as well as innovative solutions like RelCare and RelScan for remote condition monitoring and maintenance.

**Exports**

Hitachi Energy India Limited has been persistently strengthening its local capabilities to amplify its vision of 'make in India for India and the rest of the world'. The Company's long history of technology and manufacturing has contributed to a solid base of expertise and operational excellence that is being leveraged to play a greater role in the regional power sector, and as a manufacturing and engineering hub for the rest of the world. Your Company has strengthened local capabilities towards servicing the demand for exports. This has resulted in steady growth in the contribution of exports to the order book, constituting 25% of the annual work orders.

Orders flowed in from established export markets of Asia, Middle East and Africa as well as some countries in Europe. India's rise as a favorable manufacturing and assembly hub as well as a strong technology player, global price sensitivities and supply chain complications have led many countries to source from here. Hitachi Energy India Limited's deep local footprint and wide-ranging expertise, energized by top quality in power products and technologies led to several new and repeat customers.

By expanding strategic partnerships with the existing customer base and making headway into new areas of collaboration with its existing and new customer base supported by service requests, the export order book is witnessing a steady uptrend.

Over the year FY 2023-24, your Company's export orders were up by 43%. Exports of transformers, power quality technologies and other key products to markets like Middle East, Southeast Asia and neighboring countries in South Asia accounted for around 25% of the order book.

These came from countries including but not limited to Singapore, Greece, Tanzania, Morocco, Bhutan, Indonesia, UAE, Guyana, France, Azerbaijan, Spain and Portugal. Your Company also received the largest-ever single order for disconnectors for a project in Guyana.

The demand came in from the renewable and rail segments as well as automation packages in Africa. Besides this, exports also included transmission orders in Asia, power quality in Europe and US markets, and automation packages in Africa. Export orders were also drive by surge in demand for transformers and high-voltage products. Orders for transformers came from Europe and African markets, while demand for power quality solutions were from South and Central America, Africa, US and Europe.

Your Company's strategy of making in India for India and the world has ensured steady order inflows from across 80 countries to its global feeder factories in five products from Hitachi Energy's portfolio. Hitachi Energy India Limited's newly established factories including the HV Power Quality and HVDC factory are expanding their export order contribution.

**Business units and operations**

Hitachi Energy India Limited operates through four business units namely Grid Automation, Grid Integration, Transformers and High-Voltage Products that produce power grid solutions through a variety of equipments, ranging from substation automation solution to power transformers. The solutions ensure quality power supply to the customers for operations in

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the field of transmission networks, utilities, transport networks, renewable energy, data-centers, industries and many other enterprises. Hitachi Energy India Limited operates on a sustainable business model that supports Carbon-Neutral and Net-Zero Operations by implementing modern technologies at offices and sites that save energy and consume green power. The operations to manufacture world-class equipment's and provide best in class services requires capital investment to expand the manufacturing units, strengthening the production through a sustainable growth model. With a vision to provide the customers with solutions, products and services, Hitachi Energy India Limited intends to operate with profitability in its operation by continuously upgrading the existing products and introducing new products in market through modern R&D practices to meet the demands of customers.

### **Operational excellence**

Hitachi Energy India Limited continues to seek to maximum efficiencies in converting the significant order backlog to revenue, while in the short term staying agile regarding the evolving situation on trade routes. Nevertheless, such execution when coupled with operational excellence across manufacturing and functional processes will result in value accretion. This was achieved by your Company through various efforts that included setting standard operational process through LOM (Leading Operating Model) deployment, and process visibility and transparency through digital project reviews. Further efficiencies were achieved by removing waste through QOT (Kaizen) culture. Lean 6-Sigma culture development was reinforced through capability building and employee engagement, which helped also drive customer focus. Enhanced customer value was driven by deep understanding of customer expectations and management of perceptions with proactive feedback from tender to execution. Additionally, customer value was delivered while optimizing costs through design optimization, DtV (Design to value) and excellence in supply chain management (SCM).

Hitachi Energy India Limited places sustainability at the heart of the Company's purpose - advancing a sustainable energy future for our partners and customers. However, with intent to demonstrate commitment towards sustainability, focus has been on making the operations sustainable, and minimizing the environmental footprint of the Company. Since embarking on the journey towards net-zero in 2021, the Company has today achieved 45% reduction in our carbon footprint to enable a sustainable energy future – for today's generations and those to come.

The journey to Net Zero by 2030 requires consistent efforts and various teams have initiated considered programs, in addition to company-wide actions. At the Company's largest manufacturing location, Maneja, a Sustainability Master Class was conducted to develop a larger pool of specialists who can advance the operations to net zero. Additionally, at the Kudus Site (Mumbai HVDC), a 15kW roof top solar has been installed which will reduce 458 tons of CO<sub>2</sub> per year. Solar based mobile charging facilities in rest sheds and workforce colonies at the site that can power multiple devices at a time are also introduced at Kudus. The project has also committed to transition to the services of EV cab provider starting from Delhi-NCR.

Hitachi Energy India Limited consistent efforts were acknowledged and recognized for excellence in Health, Safety, and Environment practices by our discerning customers across verticals. Reinforcing the belief that at Hitachi Energy India Limited, safety is the basic license to operate, the Company observed HSE week in November 2023 with the theme of "Do the Right Thing". In appreciation for the focus on safety, the Company received 'Certificate of Appreciation' for contribution towards improving the OHS culture in MP Power Transmission Package-II Ltd. The Company was appreciated for its good HSE practices during warranty period of HVDC Station at Raigarh, Chhattisgarh.

Collaboration is central to making the energy transition possible. Through the 360° framework for collaborative energy transition the Company led industry discussion on the energy transition across the entire value chain of the energy industry in India and region at multiple forums and platforms.

Through the year, Hitachi Energy India Limited has partnered with various industry stakeholders – from technology interactions with customers to them visiting the Company's factories. Training and learning programs for over 50 students from Industrial Training Institute (ITI), Kayavarohan were conducted at the Maneja facility, ensuring that all stakeholders are working in tandem towards the same goal.

The continued efforts of your Company have further cemented the Company's reputation as a reliable partner and a pioneer in power technologies, which was recognized by ET Energy award. The work of your Company continues to be recognized by customers and industry peers. Hitachi EnergyTEC Training & Experience center in Maneja was recognized by CEA as category- I (Grade B) for imparting training in operation and maintenance of the transmission and distribution segment of power sector.

### **Safety, integrity and quality**

At Hitachi Energy India Limited, safety, integrity and quality form the foundation of your Company. An unwavering commitment to these three principles has helped build its operations around this culture so employees can internalize and feel empowered to champion them in any situation.

Your Company's Sustainability 2030 commitments set out 'Zero Harm' as one of the key priorities. The focus is to apply safety first in every situation to ensure that there is no possibility of an incident. These 'safety barriers' are defined by its flagship Life-Saving Rules (LSRs) initiative, applicable to all employees, full-time and on contract, across our locations. The mandatory LSR – eLearning course aims to create greater awareness and enables employees to understand the true meaning of being safe at work, keenly evaluate their understanding of safety practices, correctly assess and take decisions in critical situations, and the impact of not taking correct action at the right time.

Through periodic shopfloor demonstrations, donation drives, and life support trainings, your Company ensures consistent engagement with a focus on employee well-being by emphasizing the essential LSRs. It also employs multiple platforms and formats to underscore HSE behaviors that drive world-class performance across teams – 'Do the right thing!'

during the annual Safety Week observation. Reinforcing through training is a proven route to inculcating the safety mindset. This was enabled through sessions on behavior-based safety, occupational health & general health, and electrical safety by the Karnataka State Safety Institute and risk assessment & ABRA, first aid, operating machinery, working at height and fall protection, defensive driving and AED training for employees, trainees, and contractors.

Your Company continues to receive recognition and appreciation from customers, partners and industry peers for its superlative OHS culture through the entire project life cycle and for driving the HSE mindset along the energy value chain.

At Hitachi Energy India Limited, health and well-being encompass the trio of physical health, mental health, and occupational health. This Health Wheel has enabled your Company to approach health and well-being more holistically and effectively implement policies and standards. The health flagship program 'Mind Matters' continues to address the different dimensions of organizational and employee mental well-being to enable all our employees to thrive.

Through leadership development programs such as the HSE Masterclass attended by over 700 managers globally, the two-year Functional Development Program for all the HSE, Security, and Sustainability practitioners and the Advanced Functional Development Program for the Top 50 HSE, Security, and Sustainability leaders, your Company has built HSE into the very fabric of the organization.

Digitalization continues to play a key role in Safety, as demonstrated by the Digital Kit – a fully immersive remote support solution to customers for various service requirements of high-voltage products. It utilizes a mixed-reality experience to give service experts a real-time view as seen by the technician on-site. This has enabled effective and timely resolution of issues while increasing safety and efficiency and reducing the environmental impact of on-site visits.

Integrity drives all decisions at your Company. Adhering to the single, universal Hitachi Group Code of Ethics and Business Conduct enables leaders and employees to make decisions and take actions consistent with the Hitachi Group Identity and Values. The aim of 'living with integrity' is for everyone in the organization to feel comfortable, empowered and free to speak up should they encounter an integrity issue, with speak-up channels available. All 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 is reported to the Audit Committee.

As a responsible organization, your Company is committed to delivering the highest standards of quality. Your Company strives to deliver timely and quality products, systems, and services that meet or exceed customer expectations along with the Company's employees, partners and suppliers. The focus is to continually enhance customer experience by understanding their specific needs and offering tailor-made solutions while motivating employees to hone key skills through continuous training and development to create greater value.

## Initiatives and collaborations

Your Company continues to take targeted steps to offer next-gen solutions and digital capabilities to its existing and potential customers while actively collaborating with Indian industry and academia.

Your Company continues to further its Net Zero ambitions by using 100% fossil-free electricity in its operations. It has replaced diesel generators with solar panels to power its site offices and introduced rooftop solar at its factory in Maneja. The Company has switched to clean piped natural gas from high-speed diesel for ovens and dryers at manufacturing facilities. It has maintained its Zero Liquid Discharge approach across locations and continued on its path to reduce freshwater consumption.

Waste flow mapping projects have been initiated at five locations to manage and reduce waste and improve resource efficiency, ultimately mitigating air and water pollution. Other ongoing projects include the water conservation project at the Maneja factory where reuse of RO-rejected water has resulted in the reduction of 13.7 kiloliters of fresh-water usage. The Advanced Energy Monitoring System at Maneja integrates seven power substations, 63 energy, water and gas flow meters to monitor resource consumption in real-time.

A survey for rainwater harvesting and recharge pits at the factories in Halol and Doddaballapur was completed in November 2023. The Company has also replicated the water-saving project models from Maneja at the Power Quality factory in Doddaballapur. It has planned to install the first-ever OpEx model 609kWp rooftop solar plant for Hitachi Energy India Limited's facilities, reducing dependency on external power sources by 40-50% once commissioned. The Company has also eliminated single-use plastic and paper cups at the factory. It has made the retrofitting of emission control devices (RECD) mandatory on 11 diesel generator (DG) sets to ensure a minimum 70% reduction in particulate matter.

An environmental performance dashboard enables location-wise tracking of greenhouse gas emissions, energy consumption, freshwater use and waste generated and disposed.

Solar-based mobile charging facilities that can power multiple devices at the same time have been installed in rest sheds and the workforce colony.

Green initiatives have also been undertaken at HVDC project sites, with ~460 tons of CO<sub>2</sub> avoided. Your Company is going one step further by developing specialists who can advance net zero in its operations through the Sustainability Master Class at Maneja.

Upcoming projects include technical assessment and feasibility of EV charging points at Doddaballapur, identification of pilot projects to reuse wood waste in packing, replacement of diesel operated fork-lift truck (FLT) with electric FLT, utilizing metal waste in the Company's operation and Battery Energy Storage System as DG backup at Doddaballapur.

Your Company recognizes that the journey to net zero has to involve all stakeholders. Hence, it has embraced a 360° framework for collaborative energy transition - leading global thought leadership conversations, industry-focused customer

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events, nurturing the supplier ecosystem, the interaction of the Hitachi Energy India Limited with government and key customers, and industry training initiatives.

In line with the Company's strategic CSR roadmap, Hitachi Energy India Limited has consolidated its partnership with top-tier research institutes such as IIT Roorkee. Several initiatives were flagged off at the campus such as presenting electric vehicles to the institute to enable green mobility and inaugurating a 200 kVA microgrid with battery energy storage facilitating a smart energy management system.

## Research and development (R&D)

Your Company's legacy of innovation and deep expertise in the power technology sector have enabled it to continually provide enhanced value to customers, foresee industry trajectory, anticipate the next phase of growth and stay ahead of the curve.

Its focus and targeted actions towards sustainability while staying at the forefront of the clean energy tech and digital-led revolution have helped it consolidate its position as a leader in this sector. Encompassing every customer's journey in its entirety – right from site reviews, customized solutions, maintenance cycles, technical handholding, and planning for the future today – helps us go beyond creating value to becoming a strategic partner in their growth journey.

As a testament to your Company's commitment to innovation, it has received numerous R&D and innovation awards. O P Naidu, Senior Principal Engineer at Hitachi Energy India Limited attended and presented three technical papers at 2023 IEEE PES 15<sup>th</sup> Asia-Pacific Power Engineering Conference, Chiang Mai, Thailand. His paper titled "Single Ended Fault Location Method for Lines Connected with Inverter Based Renewable Resources" is received the Best Paper Award. Aarthi V, R&D engineer was awarded the prestigious Grid India Power System Award (GIPSA) 2024 award for her M.Tech thesis project; GIPSA aims to explore breakthroughs and recognizes outstanding research achievements in Power Systems.

The ability to consistently innovate and steer the course of industry in a direction that not only takes the entire ecosystem to the next level but also safeguards the future of generations now and those to come has served well to position your Company as a global industry thought leader.

To understand this your Company's R&D activities are conducted globally in R&D and technology centers and are then locally embedded in businesses. This approach leverages local competence to create social, environmental, and economic value on a global scale. By developing new and localized products, features, and solutions, your Company can secure existing revenue streams while creating additional revenue by increasing customer engagement and installed bases.

Your Company's large pool of expert technologists, shopfloor specialists, solution providers, technicians and R&D teams, capacity to innovate and investment in the creation of modern technologies have ensured it remains a well-regarded voice in the industry now and in the years to come. It remains committed to identifying and developing key power grid technologies that will enable a digital-led future more focused on renewable energy

sources. During the financial year 2023-24 your Company has paid Rs.190.71 Crores as royalty and technology fees to Hitachi Energy Ltd.

## Responsible governance

The Company's governance structure plays a crucial role in shaping the decision-making process, ensuring that it is aligned with our strategic objectives and the interests of all the Stakeholders at large.

Our governance structure, aligned with global Code of Ethics and Business Conduct, is crucial in supporting the delivery of our strategic objectives while ensuring ethical conduct and transparency at every level. Further, our corporate governance framework also promotes ethical practices throughout the organization, while transparent communication ensures effective engagement with Stakeholders. Your Company is also certified for ISO:37001:2016 for Anti-bribery management systems. For more details on governance please refer to the Corporate Governance which form a part of Board's Report.

## Talent

Investing in building a culture and supportive ecosystem to support lifelong learning has enabled your Company to build a diversified talent pool of multifaceted professionals - at our factories and technology centers. Its success is a measure of investment in training and upskilling to attract, develop, retain and support the career journeys of the right talent. By fostering a work environment of inclusive leadership, transparency and sense of belonging, the organization is home to a highly motivated and engaged workforce.

To lead the energy transition in this time of accelerated pace of change, every industry requires people who are well informed, who will guide the transitions and impacts that they wish to achieve. Hitachi Energy India Limited believes that it is the people and talent that will enable this change in the industry, and as such has many initiatives that develop a strong and agile talent pool that is engaged and committed to customers.

In line with the commitment to foster a culture of lifelong learning, Hitachi Energy India Limited provides a diverse array of learning avenues, including digital platforms equipped with global and local programs. Besides in-house learning and development (L&D) programs, the Company also works with external partners and trainers to ensure a highly skilled workforce.

A focus on leadership development in FY 2023-24 benefited over 400 leaders. They were equipped with the tools to excel in their roles, collaborate with their teams and drive innovation within the organization. Self-paced learning through the digital learning platform Percipio has also seen increased engagement with over 3947 courses taken by employees. Knowledge-sharing platforms were also provided and many enthusiastic employees joined these platforms to share and learn from each other.

In addition, efforts were also made to create and nurture an inclusive workforce, that promotes diversity in gender, age and culture. ExcelHer, a program designed to nurture and empower the Company's women leaders, was launched, to provide tailored support and development opportunities to thrive in their careers.

Diversity 360, launched in 2019, is also designed to help the Company embrace differences in creativity, skills, culture, experience, ethnicity, sexual orientation, religion, education, background, and gender to create a robust organization designed for long-term success. Under the four work streams – Leadership Pillars, Female Acceleration, Live Diversity & Inclusion, and Attract & Grow – various initiatives are rolled out.

The Leadership Pillars model was co-created and validated with the International Institute for Management Development (IMD), and helps managers to create a culture and environment that enables diversity of thought to thrive for sustainable growth. The Female Acceleration program aims at building a strong business succession pool of potential leaders and experts for key roles. The interventions are designed to follow the progress of women in the company, from increasing gender diversity recruitment, diverse external hires and experienced professionals, pipeline planning, and policy-level structural integration. Through the 2<sup>nd</sup> career program, periodic review of policy and benefits, a suite of options to enable flexibility, and ensure equal opportunities without bias, your Company has successfully integrated diversity into everyday working practices.

The 'Live Diversity & Inclusion' work stream envisages the cultural basis for collaboration and inclusiveness by imparting training programs, creating Employee Resource Groups, bridging the generational gap, and strengthening efforts in reasonable accommodation and accessibility for disability. In addition, 'Attract and grow talent' spotlights the Company values of purpose and social innovation. By covering the entire early talent landscape spectrum, right from high school to university graduates, through relevant training, internship, mentoring, as well as offering experiential opportunities, it allows students to learn about the business to explore and accelerate their careers. In a bid to expand its academic initiatives, your Company recently strengthened collaboration with IIT Roorkee by inaugurating the C-MAC lab to enable a sustainable energy future for all.

The Company's performance management system is aligned with the business goals and strategy, recognizing exceptional performance and talent, and exposure to global culture through placements in other countries via the global mobility program.

As your Company looks ahead, it remains steadfast in its commitment to guiding its employees in charting their learning agendas in alignment with market requirements, ensuring that they possess the skills necessary to navigate an ever-evolving landscape successfully.

### Corporate social responsibility

Your Company is committed to sustainable and inclusive development of the community's social capital through active engagement. Through social surveys organized through NGO partners, the grievances of the community are received. Corporate Social Responsibility (CSR) projects are identified and implemented in the following focus areas:

- Promote gender equality and empower women in the 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 of the main initiatives conducted over the year are below:

**Diversity and Education:** Your Company is sponsoring 200 girl students hailing from economically backward families from Tier II & III cities across the country pursuing engineering courses in BE/ B. Tech for four years. The students receive a yearly scholarship along with a laptop supported by several trainings spread over four years on soft skill development, technical and employable skills, mentoring for career goals, offsite training, factory visits, internship and employment opportunities to eligible candidates. Women employees from the Company are actively involved in mentoring and conducting training for the students.

The organization is also sponsoring, for a period of six years, 500 girl students from economically backward families in Tier II & III cities pursuing STEM courses in 11<sup>th</sup> Grade. The students receive a yearly scholarship, along with one-on-one mentoring, trainings in soft skill development, career planning and technical skills.

### Smart learning and clean drinking water in government schools:

Your Company is supporting the Gujarat government's 'Sarva Siksha Abhiyan' initiative. It has converted two classrooms in each of the five government schools in the villages of Gujarat for digital teaching by providing large screen monitors with interactive CPU and also refurbished the classrooms. The organization is also providing drinking water and has upgraded the campus and other facilities at the Government School in Maneja, Vadodara.

### Healthcare

Your Company has contributed to addressing different facets of healthcare across locations in the country. It has augmented ICU facilities in several government hospitals with ICU beds and medical equipment in Karnataka and Gujarat. It has also contributed to a full-fledged 10-bed pediatric ICU facility in Savli, Gujarat and Mysuru to support infants in and around surrounding districts. The organization has provided a hematology lab and fully-equipped ambulances at the government hospital in Vadodara. It has funded development and deployment of mobile deep-freeze patented design vaccine / immunization carriers to remote villages in Karnataka and Tamil Nadu. It continues to maintain all medical equipment supplied to government hospitals for three years. Your Company also provides financial support to children below 14 years in need of critical / emergency surgical and medical assistance across the country.

**Environment and urban afforestation:** In recognition of its responsibility towards the environment, your Company has undertaken key initiatives during the year. This includes the maintenance of 10,000 sq ft of urban forest developed from dry land in Vadodara city. Over 3,000 native saplings were planted, involving government school children and also developed a play area and a paved walkway. This has enabled offsetting about 66 tons of CO<sub>2</sub> per year. Your Company is in the process

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of developing another dry area of 10,000 sq ft into an urban forest. It is also involved in the development and maintenance of greenery along 2 km stretch of metro median and the National Highway in Bengaluru as well as design and development of a traffic circle with greenery, water body and local cultural murals at Vadodara.

**Smart Infrastructure:** The organization is supporting government universities such as NIT Warangal, IIT Roorkee, IIT Kharagpur, IIT Madras and other top-tier universities by developing smart and digital laboratories under various areas of electrical engineering applications to support Masters and Research Scholars. It is conducting hackathons at Government Universities to promote sustainable energy for all, felicitating winners with cash rewards and sponsoring winning projects. Your Company is sponsoring interactive industry-academia programs by inviting students to Hitachi Energy India Limited's factories/business locations for technical trainings. It has provided e-carts at several Universities for convenient in-campus commute of students and faculty members, thereby reducing the use of personal vehicles and CO<sub>2</sub> emissions.

## **Material developments in human resources/ industrial relations front**

### **Human resources**

A journey as intricate, long-running, and requiring focused commitment as the energy transition, needs the collective involvement to move towards this objective with the same dedication, speed, perception, and capability. Hitachi Energy India Limited has taken a multi-pronged approach to ensure that its employees are well-equipped to nurture this vision right down to the last person in the factory and at site.

To be at the forefront of a market that is swiftly embracing eco-efficient energy technologies requires a workforce that is well-skilled to anticipate and usher in the future. Accordingly, your Company has instituted a lifelong learning culture that ensures employees can explore a longstanding yet richly diverse and rewarding career path. They are empowered to not only gain a broader range of skills in their area of expertise but also branch out their portfolio to learn and adeptly evolve into newer roles on the route to a clean energy future. A comprehensive Rewards and Recognition framework recognizes the pioneering spirit, distinctive problem-solving, and exceptional contributions of your Company's multi-generational workforce. These key efforts have ensured that Hitachi Energy India Limited continues to retain its top researchers, technologists, and engineers who are helping shape the future of energy.

By inculcating a company-wide philosophy of diversity and inclusivity right from hiring practices, your Company has ensured that it can welcome and nurture the brightest minds in the business from across industry and academia.

Hitachi Energy India Limited strongly believes that its versatile and multi-skilled employees have been instrumental in building an expansive range of industry-leading customized and innovative solutions. Their efforts have helped mark your Company's voice as one of trust and influence in the business.

The organization believes in creating a secure environment that cares for employees' well-being. Health and safety is the foremost priority and throughout the period under review, the Company has endeavored to ensure a safe working environment in all 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**

With an aim to be a world-class leader in health, safety and environment to protect people, communities, and the planet, among your Company's top commitments is to foster positive health and well-being work environments. By embedding health and well-being into the core of its operations, the focus is to create an empowering and rewarding work environment for all employees.

Hitachi Energy India Limited seeks to improve well-being at the workplace by referencing and implementing key international principles from the World Health Organization, as well as relevant international conventions and standards such as those governed by the International Labor Organization.

By incorporating the Hitachi Energy global Health Wheel, your Company has taken a 360-degree approach by covering the physical, mental and occupational aspects of health and well-being at the workplace. This has enabled the organization to foster a thriving workforce and increase employee engagement, productivity, and talent retention.

To promote physical well-being, participation-based wellness programs are regularly organized to motivate behavioral change, drive engagement, and promote better health practices. Proactive mental well-being management is well-integrated into the latest strategy through the award-winning 'Mind Matters' flagship program. Occupational health is addressed by ensuring safe workplaces and working conditions by complying with the applicable occupational health and industrial hygiene standards.

With health and well-being fully embedded in its management system, the organization's Employee Health and Well-being Policy aims to support and contribute to providing a healthy and supportive environment for all employees. Health and well-being standards are measured through a diversified lens ranging from occupational health, well-being and resilience, to ergonomics and human factors, industrial hygiene, and health risks assessment.

Multiple awareness sessions on health and well-being were organized in different office locations and factories to create awareness around key topics. Annual medical check-ups and camps were set up through the year to promote physical well-being.

### **Learning and development**

Hitachi Energy India Limited is committed to fostering a culture of lifelong learning. Its belief in the transformative power of continuous education drives employees to chart their learning journeys, aligning with both present requirements and future

aspirations. The organization provides a diverse array of learning avenues, including digital platforms equipped with global and local programs.

Over 400 leaders benefited from the in-house upskilling programs, equipping them with the tools to excel in their roles, collaborate with their teams and drive innovation within the organization. Your Company has witnessed remarkable engagement on the digital learning platform Percipio, with over 3947 courses taken by eager learners seeking to expand their knowledge horizons. On the knowledge-sharing platforms provided to employees, your Company saw many enthusiastic employees joined these platforms to share and learn from each other.

Furthermore, with the launch of Excel Her, a program designed to nurture and empower the Company's women leaders, they are provided with tailored support and development opportunities to thrive in their careers.

As your Company looks ahead, it remains steadfast in its commitment to guiding its employees in charting their learning agendas in alignment with market requirements, ensuring that they possess the skills necessary to navigate an ever-evolving landscape successfully.

## Diversity and inclusion

The complexities of dynamic environmental challenges that your Company is helping to solve requires the world's most creative and determined people. To build this kind of team with a mindset to make a difference, it launched Diversity 360 in 2019. This vision embraces differences in creativity, skills, culture, experience, ethnicity, sexual orientation, religion, education, background, and gender to create a robust organization designed for long-term success. Translating the vision to the employees involves working with purpose and thinking big to make real impact, achieving more together because collaboration propelled by diversity leads to great innovation, and energizing careers by inspiring progress.

By launching a series of programs, interventions, and events, Diversity 360 has been brought to life. With the focus of integrating it into the entire employee experience, this people-centered approach includes four key workstreams:

- **'Leadership Pillars'** a unique leadership model co-created and validated with the International Institute for Management Development (IMD) that embeds the DEI strategy into everyday behaviors, policies and leadership decisions. It holds a strong belief that leaders are the key to creating a culture and environment that enables diversity of thought to thrive for sustainable growth. By connecting employees to four fundamental pillars of Purpose, People, Potential, and Performance, they play an integral role in helping them develop and grow in their careers. Since launch, over 85% of the organization's people managers have completed the training to understand this concept, with around 40% at an advanced level.
- **'Female Acceleration'** with a 25% gender diversity ambition across Hitachi Energy's entities globally by 2025. The focus is on building a strong business succession pool of potential leaders and experts for key roles. This

is enabled through various development programs, global employee networks, partnerships, and benefits with a goal to ensure female colleagues at every level feel empowered, supported, valued, and respected. Right from increasing gender diversity intake through recruitment of early career female hires, diverse external hires and experienced professionals, pipeline planning to identify female talent and create talent bench strengths and enablement of talent through key initiatives and exposure, policy-level structural integration, women form a critical link to business success. Through the 2<sup>nd</sup> career program, periodic review of policy and benefits, a suite of options to enable flexibility, and ensuring equal opportunities without bias, your Company has successfully integrated diversity into everyday working practices.

- **Through 'Live Diversity & Inclusion'**, your Company lays down the cultural basis for collaboration and inclusiveness where unique strengths are embraced, respected, and used to drive it forward. By imparting training programs to become aware of unconscious bias and interrupt associated behaviors, enabling and celebrating authenticity by respecting all areas of diversity through an inclusive culture, creating Employee Resource Groups to advance the DEI agenda, bridging the generational gap through the generational inclusion focus, and strengthening efforts in reasonable accommodation and accessibility through Disability Inclusion enables DEI to be a daily commitment.
- **'Attract and grow talent'** spotlights the Company values of purpose and social innovation. By covering the entire early talent landscape spectrum, right from high school to university graduates, through relevant training, internship, mentoring, as well as offering experiential opportunities, it allows students to learn about the business to explore and accelerate their careers. For internal talent, the organization's culture of lifelong learning with world-class training and focused development programs provides immense opportunities for personal growth and global mobility to help employees reach their full potential. The vast learning resources portfolio includes tools, systems, platforms, courses and programs that individuals can explore and adjust for self-paced learning and as per their desired career growth trajectory. To emphasize this, over 10,000 employees engaged in the Percipio skill development online learning with more than 46,400 hours spent on 95,700+ completed sessions.

## Finance

Your Company's focus on market trends and keeping track of high growth segments, as well as operational excellence, strong manufacturing capability and customer connections were instrumental in delivering sustained performance in April 2023 - March 2024.

Your Company generated total orders of ₹ 5,536.3 Crores in FY 2023-24, increased by ~14% YoY over the corresponding period for FY 2022-23, while excluding HVDC orders.

The revenue for FY 2023-24 stood at ₹ 5,246.8 Crores with a 17% increase during the same period last financial year.

The first two quarters of the year were impacted by supply limitations such as delays in procurement of semiconductors and other key electronic components. While continually monitoring the situation, the company also deployed strategic initiatives to mitigate the impact of supply chain turbulence to the extent possible.

Your Company's net profit stood at ₹ 163.8 Crores against ₹ 93.9 Crores in FY 2022-23. Order backlog was at of ₹ 7,229.5 Crores at year-end. The Board has also recommended an equity dividend of 200% amounting to ₹ 4 per share of face value ₹ 2 each.

At ₹ 350.2 Crores or 6.7% Operational EBIDTA was a result of a favorable revenue mix, operational excellence and digitalization efforts. Profit before tax stood at ₹ 221.7 Crores, up 69.5% YoY and profit after tax was at ₹ 163.8 Crores, up 74.4% YoY.

Your Company's current ratio was at 1.16 and interest coverage ratio at 5.31, showing strength in its balance sheet and its ability to maximize capital. Your Company's debtor turnover ratio was 3.44, indicating its robust collection processes. However, your Company is also discussing potential repayment mechanisms to clear historical overdue.

Inventory turnover stood at 3.99. Your Company's Operating EBITA was 5.0%, while the net profit margin was at 3.1%.

In FY 2023-24, the interest cost borne by your Company was ₹ 46.6 Crores. As on March 31, 2023, your Company had a net debt of ₹ 22.0 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% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof:

### Key financial ratios

Particulars	FY 2023-24	FY 2022-23
	April 1, 2023 to March 31, 2024	April 1, 2022 to March 31, 2023
Debtors Turnover	3.44	3.04
Inventory Turnover	3.99	3.75
Interest Coverage Ratio	5.31	4.37
Current Ratio	1.16	1.16
Debt Equity Ratio*	0.11	0.23
Operating Profit Margin (%)	6.67	5.65
Net Profit Margin (%)	3.12	2.09

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

Funds generated from the Company's operations and financing activities are utilized to deliver long-term sustainable growth and value creation to its stakeholders. Hitachi Energy India Limited will continue investing in capex expansion, supporting its new-age manufacturing sites and supply chain, enabling your Company to deliver superior products to its customers.

## Strategic Pillars

Hitachi Energy India Limited wants to grow sustainably but also profitably by expanding business operations. The Company is committed to delivering faster than market growth. . In doing so, capital expenditure is increased on various business units; additionally, there is a focus to launch new products in digital and AIS and the Company is working on building local capabilities on e-Mobility and energy storage. Other business units are also expanding and showing promise, such as PGGGA's new digital products, which are ready for market launch. Similarly, the PGHV unit has made quick inroads into the market with its advanced products and services. Globally, Hitachi Energy has acquired Global Logic to build advanced digital products, and which can establish dominance in the digital space.

Additionally, your Company is also focused on sustainable practices. It prioritizes net-zero and carbon-neutral practices by making its offices carbon-neutral and running manufacturing sites on renewables power.

## Risk and concerns

The pace of change today has only heightened the risks that corporates face. The World Economic Forum's 2024 risk report frames four trajectories that are in motion which indicate risk along the way. These include climate change, demographic bifurcation, technological acceleration, and geostrategic shifts. The power sector is intrinsically connected to all these trajectories, making risk management a key factor for business resilience and growth.

Hitachi Energy India Limited manages risk via strong governance frameworks and risk management procedures. Furthermore, your Company is keeping a strict vigil on global issues like disturbance in the Red Sea and has taken appropriate measures to minimize the impact.

The risk management charter and policy of Hitachi Energy India Limited provides 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 year.

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.

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 Limited's risk management strategy aims to reduce negative effects, effectively take advantage of market possibilities and boost corporate competitiveness. Hitachi Energy India Limited 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 2024-25

India is poised to emerge as the world's third-largest economy by 2030. With an impressive 7.8% growth outlook for FY 2024 and a 6.8% forecast for FY 2025, India is top of the table among emerging markets. Policy reforms and initiatives, robust domestic demand, and growing capex investment have all contributed to the strong recovery post-pandemic. Other indicators such as growth in Private Final Consumption Expenditure (PFCE), GST collections, and industrial production expansion in the capital goods and consumer durables sectors signal a positive note for economic growth.

While urban consumption continues to be the key driver of consumption growth, rural demand has also shown a strong pick-up. These trends signal continued momentum in the coming months. The construction sector continued to receive a fillip from the focus on the development of physical infrastructure, reflected in the healthy growth rates of cement and steel production.

While inflationary pressures have balanced out due to tighter monetary policy aided by lower international commodity prices, the IMF has projected global growth to continue at 3.2% in 2024 and 2025. A slight acceleration is expected for advanced economies with growth expected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. The forecast for global growth five years from now—at 3.1%—is at its lowest in decades.

Global experts have indicated that high-interest rates, increased energy prices, and a slowdown in the world's top two economies are responsible. Geopolitical risk and the wars in Ukraine and the Middle East could also contribute to a worsening global financial outlook, with a mild recession on the cards in some advanced economies. This could have far-reaching impacts on energy prices, food costs, international trade, and diplomatic ties.

However, India's steady growth trajectory is expected to continue into FY 2025, aided by the accelerated pace of energy transition to renewable sources. As per IEA, electricity demand is likely to average growth of 6% every year through 2026 on the back of hectic economic activity, roughly equivalent to the UK's current consumption. Accounting for over 70% of primary energy demand, the electricity, industry, and transport sectors are responsible for 85% of energy-related Greenhouse Gas (GHG) emissions. Hence, there is an urgent need for a transition to clean energy for decarbonization of the grid, industry and transport to tackle close to 90% of emissions.

Energy transition projects are spread across segments, and their multiplier impact is only possible when brought together by a flexible, digital, and secure grid. India's sheer size and its huge scope for growth means that its energy demand is set to grow by more than that of any other country in the coming decades – as per International Energy Agency (IEA), to continue its energy transition journey, India needs to add a grid the size of the European Union by 2040. Fundamental market drivers remain intact despite sporadic macro-economic challenges. This provides medium to long term opportunities for power technologies, especially in our identified high growth segments – renewables, HVDC, data centers, transport, etc.

India's Net Zero 2070 ambition aims to reduce emission intensity of GDP and increase the capacity of renewable energy and non-fossil fuel sources in the power generation mix to 50% by 2030.

As per a joint EY-CII report, India's renewable energy sector boasts over ₹ 20.01 Lakhs Crores (\$ 240 billion) in investment potential, solidifying its global leadership in innovation and manufacturing. With substantial growth expected in solar PV and ACC battery investments, India's self-reliance in renewables technology is driven by low-cost financing, skilled workers, and round-the-clock affordable electricity, bolstered by export incentives.

The interim Union budget for FY 2024-25 made key allocations to give a boost to clean energy.

This is visible with the allocation of ₹ 10,000 Crores in 2024-25 for grid-based solar power scheme, a significant jump from ₹ 4,757 Crores in 2023-24. The launch of the PM Suryodaya Yojana rooftop solar program in January 2024 will bring 10 million households under the ambit of the scheme with the provision of up to 300 units of free electricity every month.

With the Union budget slated to be announced during the last week of July 2024, your Company is hopeful that the government's support towards forwarding clean energy remains unabated.

Last year, the Union government introduced the country's first-ever tender to allocate sites for offshore wind energy projects, currently limited to land-based wind projects. Around 7 GW is to be auctioned by FY 2024. In addition, Viability Gap Funding has been announced for the initial addition of up to 1 GW in offshore wind energy capacity.

The budget for the National Green Hydrogen Mission has been enhanced to ₹ 600 Crores for FY 2024-25.

With a wide-ranging product portfolio, your Company is well-positioned to fulfill the demand arising from greater investments in capacity enhancement and digitalization by

utilities, manufacturing, rail, e-mobility, and data centers. A wide-ranging product portfolio with a good mix of traditional and digital products and solutions - traction transformers, dry-type transformers, switchgears, SCADA systems, energy management systems, substations, power electronics-based HVDC, Flexible AC Transmission Systems (FACTS), city reliable power infeed, grid automation, microgrids, Battery Energy Storage Systems (BESS), electric systems for Green Hydrogen, Integrated Fleet Charging for EVs and electric buses, AI-ML based Asset Performance Management, Distributed Energy Resources Management, augmented by Hitachi's world-class digital technologies ensure strong business potential for your Company.

The rise in generation capacity from varied renewable generation set-ups also requires enhancement of the transmission network as per the Central Electricity Authority (CEA), India requires a substantial investment of ₹ 4.75 Lakh Crores by 2027 for developing its transmission infrastructure, including lines, substations, and reactive compensation. Goldman Sachs estimates that the transmission capex is expected to have the second largest share of over ₹ 41.69 Lakhs Crores (\$ 500 billion) of the total energy transition capex requirement of ₹ 141.74 Lakhs Crores (\$ 1.7 trillion) over the next 25 years. This presents a significant opportunity for the Company's core T&D business.

Currently, half of all HVDC links in India transmit power with Hitachi Energy India Limited technologies. With one HVDC project expected every year and two HVDC projects to be awarded in the next 12 months, your Company is well-prepared to meet such projects with proven expertise enabled by local manufacturing capacity.

For the offshore segment, a comprehensive range of products, solutions, and services help reduce costs, increase safety, and improve efficiency, including an innovative offshore portfolio of transformers that can operate in environments with salinity and hydrocarbon, extreme weather conditions like hurricanes, typhoons, winds, etc.

With greater focus on power system flexibility to reach India's renewable energy targets, your Company's innovations in products and systems ably help manage power variability from renewable sources. Impetus to BESS and smart grids offers us an advantage as early entrants in this space.

Hitachi Energy India Limited. has been a long-standing trusted partner to the transport sector in India offering high-tech products and solutions for electrification of Railways, Metro projects, High-speed rail and e-mobility. From Energy Traction Transformers for Railways to power automation for metro rail systems, and innovative flash and fleet charging solutions Grid-eMotion™ Flash and Grid-eMotion™ Fleet, the Company's seamless solutions power sustainable transport. With a goal of 100% rail electrification, rolling stock upgrade, and 1,058 km of metro rail network in 27 cities offering an additional area of play, your Company sees immense potential to further enable clean mobility in India.

Data centers are set to double capacity by 2025. Hitachi Energy India Limited has the capability to power data centers of the future with reliable power and eco-efficient solutions. Moreover, tighter industry ESG pledges and greater cloud adoption necessitate

rapid digitalization. Your Company's offerings of sustainable digital and power quality products & solutions ensure reliability, increase efficiency, and productivity through system design.

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. From power islanding solution to ensure reliable quality power for the world's largest oil refinery in Gujarat to digital transformers in India's oldest steel plants, digital substations for round-the-clock power to IT parks, your Company is energizing the pace of industrial transformation.

The Atmanirbhar Bharat campaign has provided several stimulus packages and incentives for domestic manufacturers to up the ante and manufacture at global standards. This has not only given an impetus to indigenous innovation but has also served to position India strategically in the global manufacturing and supply chain arena. Such policy-led support will also positively impact Hitachi Energy India Limited. to enhance our manufacturing capabilities, innovation strength, and digital-focused offerings in India across our 19 facilities in eight locations.

## Opportunities and threats

As global economies move towards realizing their country-specific sustainability goals, coal continues to dominate the energy mix. In the absence of a well-planned transition roadmap, communities and local economies dependent on fossil fuel supply chains could be severely impacted by financial insecurity. It could also have a reverse effect with the road leading back to traditional fossil fuel sources if renewable energy development doesn't effectively anticipate and outpace future demand.

The Just Transition Declaration at the UN Climate Change Conference in Scotland (COP26), recognized the need to ensure that no one is left behind in the transition to net zero economies – particularly those working in sectors, cities and regions reliant on carbon-intensive industries and production.

Energy has been among the fastest-evolving industries globally in the last five years. Currently, the IEA estimates that energy employs 65 million people worldwide and accounts for 2% of global employment, relatively evenly distributed across fuel supply, power sector, and end uses. Half of this workforce is employed in clean energy technologies. The IEA's report, 'Net Zero by 2050: A Roadmap for the Global Energy Sector (NZE Scenario)', projects that the energy transition will create 14 million new jobs related to clean energy technologies and require the shift of around 5 million workers away from fossil fuel sectors. In addition to these new roles, 16 million workers will be required to shift to work in clean energy segments, requiring additional skills and training.

Shortage of skilled labor due to flux in the international labor market is leading to delays in projects. It becomes imperative to have better visibility into energy employment trends and provide requisite resources and training to upskill labor to transition from traditional to clean energy technologies.

According to the Asian Development Bank, attempting clean energy transition at the scale that India requires faces many challenges. These include access to affordable financing, lack of institutions that can deploy financing effectively in new low-carbon growth areas, and technology risks, apart from ensuring a just transition. Moreover, ensuring universal access to affordable clean energy is critical. Policies can be effective only when the resultant transition is inclusive and does not further isolate already energy-poor regions and communities. This puts the focus on developing efficient, reliable and scalable solutions that are affordable and economically priced.

Another key concern is that increasing digitalization across industries and sectors, including the power sector, has rendered critical energy infrastructure vulnerable. With non-traditional modes of conflict tactics on the rise, a key disruptor of energy supply and energy security thereby is the heightened risk of cyberattacks.

From core technologies like power transformers, and circuit breakers to eco-efficient solutions that deliver reliability, to consulting services, digitalization and automation – your Company straddles IT & OT with equal ease to ensure active contribution towards on-track net-zero targets.

Your Company sees opportunities for global and inter-regional links and upgrades of maturing HVDC stations. 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.

Such a landscape while offering immense potential to your Company, with its local manufacturing and technological expertise and innovative capabilities, needs the entire partner ecosystem to work collaboratively to digitally accelerate a sustainable energy future for all. Hitachi Energy India Limited. is closely cooperating and co-creating pioneering tech and solutions, with our industry and academia partners, suppliers, customers, and other ecosystem collaborators by leveraging both digital and energy platforms.

## Cautionary statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's business are forward-looking statements. These include all statements, other than those of performance highlights and historical facts, including those regarding the market and financial position, business strategy, and objectives for future operations. Forward-looking statements shall be identified by words such as anticipates, expects, intends, may, will, believes, estimates, outlook, and other words of similar meaning in connection with a discussion of future operational, environmental, social and financial performance. Forward-looking statements are necessarily dependent on projections and trends and constitute our current expectations based on reasonable assumptions. Actual results could differ from the projected in any forward-looking statements due to risks and uncertainties and other external factors.

The exchange rate used for all USD conversion to ₹ is 1 USD = ₹ 83.3\* (as of March 31, 2024\*).

\*<https://www.exchangerates.org.uk/USD-INR-spot-exchange-rates-history-2024.html>

# 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.

- Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2023-24, the percentage increase in remuneration of Managing Director & Chief Executive Officer, Chief Financial Officer and General Counsel & Company Secretary during the financial year 2023-24 (April 2023 to March 2024).

Sl. 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	48:1	7.59%
2.	Mr. Ajay Singh	Chief Financial Officer	-	17.00%
3.	Mr. Poovanna Ammatanda	General Counsel & Company Secretary	-	12.00%

Percentage of increase in remuneration relates to fixed component of salary. Other components of the remuneration are as disclosed elsewhere in the Board's Report.

### Notes:

- Annual Revision in remuneration was with effect from July 1, 2023, for all the Key Managerial Personnel.
  - 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.
- Percentage increase in the median remuneration of employees for the financial year: 11%.
  - Number of permanent employees on rolls of the Company as on March 31, 2024: 2,375 employees.
  - Average percentiles 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, inflation, prevailing industry trends and benchmark. The same is as per Company's increment guideline.

- 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**

**Achim Michael Braun**  
Chairman  
DIN: 08596097

Place: Bengaluru  
Date: May 21, 2024

# 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 business with the highest standards of honesty, openness, and accountability to maximize stakeholders' value while adhering to all applicable laws, rules, and regulations. Your Company believes that effective leadership, robust policies, processes and systems and a rich legacy of values form the hallmark of the best corporate governance framework.

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. Good corporate governance is the basis for decision-making and control processes.

### 2. Board of Directors:

(a) As on March 31, 2024, 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. Mr. Achim Michael Braun (DIN: 08596097) and Mr. Ismo Antero Haka (DIN: 08598862) are the Nominee Directors of Promoter i.e. Hitachi Energy Ltd. (formerly known as Hitachi ABB Power Grids Ltd), holding 75% of the paid-up equity share capital of the Company. In the ensuing Annual General Meeting, Mr. Achim Michael Braun (DIN: 08596097), Non-Executive and Non-Independent Director, who is liable to retire by rotation being eligible has opted for re-appointment. 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, 2024:

Name of the Director	Category <sup>(1)</sup>	Number of Directorships in other Indian companies <sup>(2)</sup>	Committee membership / Chairmanship in Public Companies <sup>(3)</sup>		No. and % of Equity Shares held in the Company (%)
			Member	Chairman	
Mr. Nuguri Venu	MD & CEO	2	2	Nil	Nil
Mr. Achim Michael Braun	Chairman, NED	Nil	Nil	Nil	Nil
Mr. Ismo Antero Haka	NED	Nil	1	Nil	Nil
Mr. Mukesh Butani	NED (ID)	6	5	3	Nil
Ms. Akila Krishnakumar	NED (ID)	3	2	0	Nil
Ms. Meena Ganesh <sup>(4)</sup>	NED (ID)	11	4	1	Nil

<sup>(1)</sup> Category: **NED** - Non-Executive Director, **MD** - Managing Director, **CEO** - Chief Executive Officer, **NED (ID)** - Non-Executive, Independent Director.

<sup>(2)</sup> Includes directorships in Private Limited Companies, Section 8 (Non-Profit) Companies and Company Limited by Guarantee (excluding Hitachi Energy India Limited).

<sup>(3)</sup> Includes only the Audit Committee and the Stakeholders' Relationship Committee of Public Limited Companies (including Hitachi Energy India Limited). None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees across all listed companies in which they are Directors.

<sup>(4)</sup> Pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the Shareholders at the 4<sup>th</sup> Annual General Meeting held on August 17, 2023 approved the appointment of Ms. Meena Ganesh (DIN: 00528252) as an Independent Director for a term of 5 (five) consecutive years effective from May 24, 2023 to May 23, 2028.

All Directors on the Board comply with the requirements stated in Regulation 26(1) of the SEBI Listing Regulations. They are not members of more than 10 Committees or Chairpersons of more than 5 Committees across all public companies in which they hold Director positions. The necessary disclosures regarding committee positions have been made by all the Directors.

None of the Directors holds office in more than 10 public companies as prescribed under Section 165(1) of the Act. Furthermore, in compliance with Regulation 17A of the Listing Regulations, none of the Non-Executive Directors serve as Independent Directors in more than 7 listed companies. It is important to note that Mr. Nuguri Venu, Managing Director and CEO (DIN: 07032076) does not serve as an Independent Director in any listed company.

Directors of the Company do not hold any shares in the Company. The Company has not issued any convertible instruments, during the year under review.

**(d) Number of Board Meetings held in the financial year 2023-24 (April 1, 2023 to March 31, 2024) and the dates on which held.**

Four (4) Board meetings were held during the financial year 2023-24 viz., (1) May 23, 2023 (which was adjourned and concluded on May 24, 2023); (2) July 25, 2023; (3) November 6, 2023 and (4) January 23, 2024. 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 2023-24:**

Sl. No.	Name of the Director	Attendance		
		Board Meetings held during the year	Board Meetings attended	Whether present at AGM held on August 17, 2023 <sup>(1)</sup>
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. Meena Ganesh <sup>(2)</sup>	3	3	Yes
7.	Ms. Nishi Vasudeva <sup>(2)</sup>	1	1	NA

<sup>(1)</sup> The AGM was held through video conferencing ("VC") and Other Audio-Visual Means ("OAVM").

<sup>(2)</sup> Ms. Nishi Vasudeva (DIN: 03016991) resigned from the position of Independent Director of the Company effective from May 24, 2023. Her resignation letter included a detailed statement of reason, informing that due to professional commitments and other engagement she would not be able to continue as a director of the Company. She further confirmed in her resignation letter that there are no other material reasons other than those specified in the resignation letter. Pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, the Shareholders at the 4<sup>th</sup> Annual General Meeting held on August 17, 2023 approved the appointment of Ms. Meena Ganesh (DIN: 00528252) as an Independent Director for a term of 5 (five) consecutive years effective from May 24, 2023 to May 23, 2028.

**(f) Directorship in Other Listed Entities as on March 31, 2024 and Category of Directorship:**

Sl. 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
		United Spirits Limited	Independent
5	Ms. Akila Krishnakumar	IndusInd Bank Limited	Independent
		Matrimony.com Limited	Independent
6	Ms. Meena Ganesh	Pfizer Limited	Independent
		Axis Bank Limited	Independent

**(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:

Sl. No.	Name of the Director	Areas of Skills / Expertise / Competencies			
		Business	Finance & Accounting	Governance / Legal	Leadership
1.	Mr. Nuguri Venu	✓	✓	✓	✓
2.	Mr. Achim Michael Braun	✓		✓	✓
3.	Mr. Ismo Antero Haka	✓	✓	✓	✓
4.	Mr. Mukesh Butani	✓	✓	✓	✓
5.	Ms. Akila Krishnakumar	✓		✓	✓
6.	Ms. Meena Ganesh	✓		✓	✓

**(h) Succession Planning for the Board and Senior Management:**

The Company has a robust system in place to ensure smooth transitions in leadership, including for our Directors, Executive Director, Senior Management Team, and other critical talents and key roles.

This is an annual global process where employees across all levels are rated on their Potential Index in the 9 Box grid, retention risk loss impact and successors for Key positions are identified. Additionally, the Company regularly reviews talents for senior management and other executive officers. This process provides a comprehensive overview of our leadership level talent inventory and capabilities, ensuring that we meet our critical talent needs in alignment with our business drivers.

**(i) Compliance Framework:**

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organization and providing updates to senior management and the Board periodically. The Board of Directors periodically review the status of the compliances with the applicable laws.

**(j) Independent Directors:**

- The Independent Directors are from diverse fields of expertise and have long-standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business.

As a part of the familiarization program as required under Listing Regulations, the Directors have been appraised 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 appraised on various developments in business both from an internal and external perspective.

- During the period under review, the Company has conducted the familiarization program and details are available in the Company's 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 opinion 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 provide regular updates periodically to all the Directors by making presentation(s) on key business developments, business & financial performance, new strategic initiatives, financial outlook, financial reports, risk, compliance, market outlook/evolving trends, sustainability initiatives, CSR, Human Resources, safety, key regulatory updates. Further, the Company has also facilitated factory visits in Zurich, Switzerland for the Directors, providing them with firsthand experience and brief overview of the Hitachi Energy group's operations at the respective locations including in person meetings with the Executive Team members of Hitachi Energy group.

- During the financial year under review, one separate meeting of the Independent Directors was held on July 25, 2023 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.

**(k)** The Board periodically reviews the compliance reports submitted by the Management in respect of all laws applicable to the Company.

**(l)** 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 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 (4<sup>th</sup> AGM held on August 17, 2023).

**(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 2023-24 (April 1, 2023 to March 31, 2024) on May 24, 2023, July 25, 2023, November 6, 2023 and January 23, 2024.

The composition of the Audit Committee as on March 31, 2024 and the attendance of members at the meetings held during the financial year 2023-24 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 <sup>(1)</sup>	Independent Director	1	1
Ms. Meena Ganesh <sup>(1)</sup>	Independent Director	3	3
Mr. Nuguri Venu	Managing Director and CEO	4	4

<sup>(1)</sup> Following the appointment of Ms. Meena Ganesh as an Independent Director, effective May 24, 2023, and the resignation of Ms. Nishi Vasudeva, also effective May 24, 2023, the Board of Directors, during their meeting held on May 23, 2023 (which adjourned and concluded on May 24, 2023), reconstituted the Audit Committee, effective May 24, 2023.

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 Committee (NRC):**

**(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 change adopted for the definition of Senior Management Personnel, the Policy has been amended in the NRC meeting held on November 6, 2023 and approved by the Board of Directors at their meeting held on November 6, 2023.

## (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, 4 meetings were held on May 23, 2023, May 24, 2023, July 25, 2023 and November 6, 2023.

The composition of the Nomination and Remuneration Committee as on March 31, 2024 and the attendance of members at the meetings held during the financial year 2023-24 were as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Ms. Akila Krishnakumar	Chairperson, Independent Director	4	4
Ms. Nishi Vasudeva <sup>(1)</sup>	Independent Director	1	1
Mr. Mukesh Butani <sup>(1)</sup>	Independent Director	3	3
Mr. Achim Michael Braun	Non-Executive Non-Independent Director	4	4

<sup>(1)</sup> Following the resignation of Ms. Nishi Vasudeva, effective May 24, 2023, the Board of Directors, at their meeting held on May 23, 2023 (which adjourned and concluded on May 24, 2023), reconstituted the Nomination and Remuneration Committee by inducting Mr. Mukesh Butani as Member of the Committee, effective from May 24, 2023.

## (iii) Remuneration Policy / Criteria for Payments to Directors / Senior Management Employees:

The Company has a credible and transparent policy in 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 Nomination and Remuneration Policy covers the following aspects:

- Lays down the criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- Formulation of criteria for evaluation of the performance of the Board of Directors, Key Managerial Personnel and Senior Management Personnel as required under the law.

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 were compensated by way of commission for the financial year 2023-24, the payout of which was made during the financial year 2024-25 and the criteria being their attendance in the Board / Committee Meetings, apart from sitting fees and reimbursement of other expenses as approved by the Shareholders at the 3<sup>rd</sup> Annual General Meeting held on July 22, 2022.

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 2023-24:

### 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	-	787.28*	-	-	-
Mr. Achim Michael Braun	-	-	-	-	-
Mr. Ismo Antero Haka	-	-	-	-	-
Mr. Mukesh Butani	7.80	-	39.00**	-	-
Ms. Akila Krishnakumar	7.80	-	37.00**	-	-
Ms. Nishi Vasudeva	2.40	-	40.00**	-	-
Ms. Meena Ganesh	5.70	-	-	-	-

\* Remuneration of ₹ 787.28 Lakhs was for the financial year 2023-24 (April 1, 2023 to March 31, 2024) which includes a performance bonus of ₹ 229.68 Lakhs pertaining to the financial year April 1, 2022 to March 31, 2023 which was paid during financial year 2023-24. Further, remuneration includes Long Term Incentive Plan (LTIP) payout of ₹ 134.29 Lakhs pertaining to KPIs measured over three financial years, from April 1, 2020 to March 31, 2023 which was paid during financial year 2023-24.

\*\* Commission for the financial year 2022-23 was paid during the financial year 2023-24.

### Commission to Independent Directors for the Financial Year 2023-24 (April 1, 2023 to March 31, 2024):

- For Board Meetings: a fixed amount of ₹ 25 lakhs per Independent Director based on 100% participation by way of attendance in the meetings.
- For Committee Meetings: a fixed amount of ₹ 3 lakhs per Independent Director based on 100% participation by way of attendance in the meetings.
- For the Chairman of the Audit Committee: a fixed amount of ₹ 8 lakhs for 100% participation by way of attendance in the meetings.
- The above commission payable to Independent Directors of the Company, however, shall not exceed the aggregate 1% 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 2023-24 will be paid in the financial year 2024-25 as follows:

Sl. No.	Name of the Directors	Amt in ₹*
1	Mr. Mukesh Butani	40,50,000
2	Ms. Akila Krishnakumar	37,00,000
3	Ms. Meena Ganesh	26,25,000
4	Ms. Nishi Vasudeva	12,25,000

\* The Commission will proportionately be paid to all the Independent Directors considering the reconstitution of certain Committees and consequent to resignation of Ms. Nishi Vasudeva from the position of Independent Director and appointment of Ms. Meena Ganesh as Independent Director on the Board effective from May 24, 2023.

#### 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 2023-24 was undertaken during the financial year 2024-25.

## 6. Senior Management:

The Board of Directors of the Company, based on the recommendations of NRC, has identified category of Senior Management Personnel(s), pursuant to the provisions of Regulation 16(1)(d) of the Listing Regulations. Details of Senior Management Personnel(s) as on March 31, 2024, are as follows:

Name of Senior Management	Designation
N Venu	Managing Director & CEO
Ajay Singh	Chief Financial Officer
Poovanna Ammatanda	General Counsel and Company Secretary
Akilur Rahman	Chief Technology Officer
Karthik Krishnamurthi	Head of Sales and Marketing
Ajith Kesavan	Head of Grid Automation
Atul Pandit	Senior Vice President, Transformers
Neha Ahluwalia	Head of Human Resources
Manashwi Banerjee	Head of Communications
Ramkumar D	Head of Grid Power Quality Solution
Rakesh Dwivedi	Head of High Voltage Products
Saji S	Head of High Voltage Direct Current

#### During the year under review following changes took place in the Senior Management:

- Mr. Raja Radhakrishnan resigned from the position of Head of Human Resources effective from April 20, 2023.
- R Gnanaprakash was appointed as Head of Human Resources on *ad interim* basis effective April 20, 2023.

- iii. Ms. Neha Ahluwalia was appointed as Head of Human Resources of the Company effective October 18, 2023. She took over this role from R Gnanaprakash, who was handling this role on ad interim basis.
- iv. Mr. Ajith Kesavan was appointed as Head of Grid Automation business unit of the Company effective October 4, 2023.

## 7. Stakeholders' Relationship Committee:

The Stakeholders Relationship 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 23, 2023, July 25, 2023, November 6, 2023 and January 23, 2024.

The composition of the Stakeholders' Relationship Committee as of March 31, 2024 and the attendance of members at the meetings held during the financial year 2023-24 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Ms. Nishi Vasudeva <sup>(1)</sup>	Chairperson, Independent Director	1	1
Ms. Meena Ganesh <sup>(1)</sup>	Chairperson, Independent Director	3	3
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

<sup>(1)</sup> Following the appointment of Ms. Meena Ganesh as an Independent Director, effective May 24, 2023, and the resignation of Ms. Nishi Vasudeva, also effective May 24, 2023, the Board of Directors, during their meeting held on May 23, 2023 (which adjourned and concluded on May 24, 2023), reconstituted the Audit Committee, effective May 24, 2023.

Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer is the Secretary to the Committee.

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 2023-24 are as under:

No. of investors' complaints received during FY 2023-24	No. of investors' complaints resolved during FY 2023-24	No. of Investors' complaints pending at the end of FY 2023-24
13	13	0

## 8. 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 risk 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. To 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. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To 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.

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 25, 2023, November 6, 2023 and January 23, 2024.

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, 2024 and the attendance of members at the meetings held during the financial year 2023-24 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Mr. Mukesh Butani	Chairman, Independent Director	3	3
Ms. Nishi Vasudeva <sup>(1)</sup>	Independent Director	0	0
Ms. Meena Ganesh <sup>(1)</sup>	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

<sup>(1)</sup> Following the appointment of Ms. Meena Ganesh as an Independent Director, effective May 24, 2023, and the resignation of Ms. Nishi Vasudeva, also effective May 24, 2023, the Board of Directors, during their meeting held on May 23, 2023 (which adjourned and concluded on May 24, 2023), reconstituted the Audit Committee, effective May 24, 2023.

## 9. 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; and,

- details of need and impact assessment, if any, for the projects undertaken by the Company.
- 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 23, 2023, July 25, 2023, November 6, 2023 and January 23, 2024.

The Committee is chaired by Ms. Akila Krishnakumar, Independent Director. The composition of the Committee as of March 31, 2024 and the attendance of members at the meetings held during the financial year 2023-24 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 by aiding, development, 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.

## 10. Environment, Social and Governance Committee:

Sustainability is in the DNA of Hitachi Energy's business strategy, shaping the approach the Company takes towards environment, society, and governance. The Company is dedicated towards the reduction of its carbon footprint and for its social and employee's welfare and governance causes. The Company has constituted Environment, Social and Governance (ESG) Committee in the Board meeting held on October 22, 2021. The work under ESG continued 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 focused on four key areas: 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 has placed sustainability at the heart of its purpose to advance 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 23, 2023.

The composition of the ESG Committee as of March 31, 2024, and the attendance of members at the meeting held during the financial year 2023-24 are as follows:

Members of the Committee	Designation	No. of meetings	
		Held	Attended
Ms. Nishi Vasudeva <sup>(1)</sup>	Chairperson, Independent Director	1	1
Ms. Meena Ganesh <sup>(1)</sup>	Chairperson, Independent Director	0	0
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

<sup>(1)</sup> Following the appointment of Ms. Meena Ganesh as an Independent Director, effective May 24, 2023, and the resignation of Ms. Nishi Vasudeva, also effective May 24, 2023, the Board of Directors, during their meeting held on May 23, 2023 (which adjourned and concluded on May 24, 2023), reconstituted the Audit Committee, effective May 24, 2023.

## 11. Details of Other Committee Meetings and Membership:

- **Listing Committee:** 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 annual evaluation:** During the financial year, one meeting was held on July 25, 2023.

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 as of March 31, 2024, and the attendance of members at the meeting held during the financial year 2023-24 are 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. Meena Ganesh	Independent Director	1	1

## 12. Subsidiary Company:

The Company did not have any subsidiaries during the period under review. Accordingly, the requirements of providing details of material subsidiaries of the listed entity as on March 31, 2024, including the date and place of incorporation, name and date of appointment of the statutory auditors of such subsidiary(ies) 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.

## 13. 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.

## 14. 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
2022-2023 (April 2022 - Mar 2023)	4	Thursday, August 17, 2023	11:00 am	1. Increase in the Borrowing Limits of the Company under Section 180(1)(c) of the Companies Act, 2013 2. Appointment of Ms. Meena Ganesh (DIN: 00528252) as an Independent Director of the Company
2021-2022 (Jan 2021 - Mar 2022)	3	Friday, July 22, 2022	11:00 am	1. Re-appointment of Mr. Mukesh Hari Butani (DIN: 01452839) as an Independent Director of the Company. 2. Re-appointment of Ms. Akila Krishnakumar (DIN: 06629992) as an Independent Director of the Company. 3. Re-appointment of Ms. Nishi Vasudeva (DIN: 03016991) as an Independent Director of the Company.
2020 (Jan 2020 - Dec 2020)	2	Thursday, May 27, 2021	11:00 am	1. Borrowing money in excess of the prescribed limit as per the Companies Act, 2013

### b) Extraordinary General Meeting:

There were no extraordinary general meetings held during the year.

### c) Postal Ballot:

There were no Special Resolutions passed through Postal Ballot during FY 2023-24. Further, no special resolution is proposed to be passed through Postal Ballot as on the date of this report.

However, during the year under review, the Company has passed Ordinary Resolution on March 10, 2024, approved, with requisite majority. The Board of Directors had appointed Mr. S Kannan, (Membership No. FCS 6261/ CP No. 13016), Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.

Details of Ordinary Resolution passed through Postal Ballot:

Financial Year	Date of passing of Resolution	Resolution passed
2023-2024 (April 1, 2023 - Mar 31, 2024)	March 10, 2024	Approval of Material Related Party Transactions with Hitachi Energy Sweden AB

The details of the voting pattern are given below:

Voting through	In favor			Against			Result
	No. of Persons voted	No. of Votes	% *	No. of Persons voted	No. of Votes	% *	
Remote e-voting	451	44,32,915	99.98	10	967	0.02	Passed with requisite majority

\* % to the total No. of shares voted in the e-voting process

#### Notes:

- 8 shareholders holding 15,438 shares have abstained from voting.
- 2 shareholders have voted less by 16,404 votes.

The detailed note on procedure involved in passing of resolution through postal ballot is provided as a part of the outcome of Postal Ballot and Scrutinizer’s Report is uploaded on the website of the Company at <https://www.hitachienergy.com/in/en/investor-relations/general-meetings#postal-ballot>.

## 15. Means of Communication:

### 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).

Additionally, quarterly results for the quarter ended December 31, 2023 and annual audited financial results for the quarter and financial year ended March 31, 2024 were emailed to shareholders whose email addresses are registered with the Company/ Depository Participants.

### Website:

The financial results, press releases 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](mailto:investors@hitachienergy.com) for providing necessary information/ assistance to the investors.

### Press Releases and Analysts/Investors' Presentations:

In addition to the above, after announcement of results, the Company holds conference call with investors / analysts. The presentations made to institutional investors / analysts and transcript of the aforesaid conference call if any, is uploaded on the Company's website at: <https://www.hitachienergy.com/in/en/investor-relations/analyst-section>.

### Integrated Annual Report:

Integrated 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 2024-25 (April 1, 2024 to March 31, 2025) is as follows:

First Quarter financial results	July 2024
Second Quarter financial results	October/ November 2024
Third Quarter financial results	February 2025
Fourth Quarter financial results	May 2025

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 Regulations, soft copy of the Notice and the Board's Report for the financial year 2024-25 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.

## 16. General Shareholder Information:

### a) Annual General Meeting:

Corporate Identity Number (CIN)	L31904KA2019PLC121597
Day, Date, and Time	Wednesday, August 21, 2024 at 11:00 a.m.
Venue/ Mode	The Company is conducting its 5 <sup>th</sup> Annual General Meeting at Sheraton Grand Bengaluru Hotel, Brigade Gateway Campus, 26/1, Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bengaluru - 560055
Financial year	April 1, 2023 to March 31, 2024
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 15, 2024 to August 21, 2024 (both days inclusive).

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Director seeking re-appointment at this AGM are given in the Annexure to the Notice convening AGM.

### b) Dividend Payment Date:

The dividend of ₹ 4.00 per Equity Share (200%) of face value of ₹ 2.00 each, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid on and from August 23, 2024, to those Shareholders whose names appear on the Company's Register of Members as on Wednesday, August 14, 2024.

### 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:**

<b>BSE Limited (BSE),</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	<b>National Stock Exchange of India Limited (NSE),</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
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**e) Stock Code for Equity Shares:**

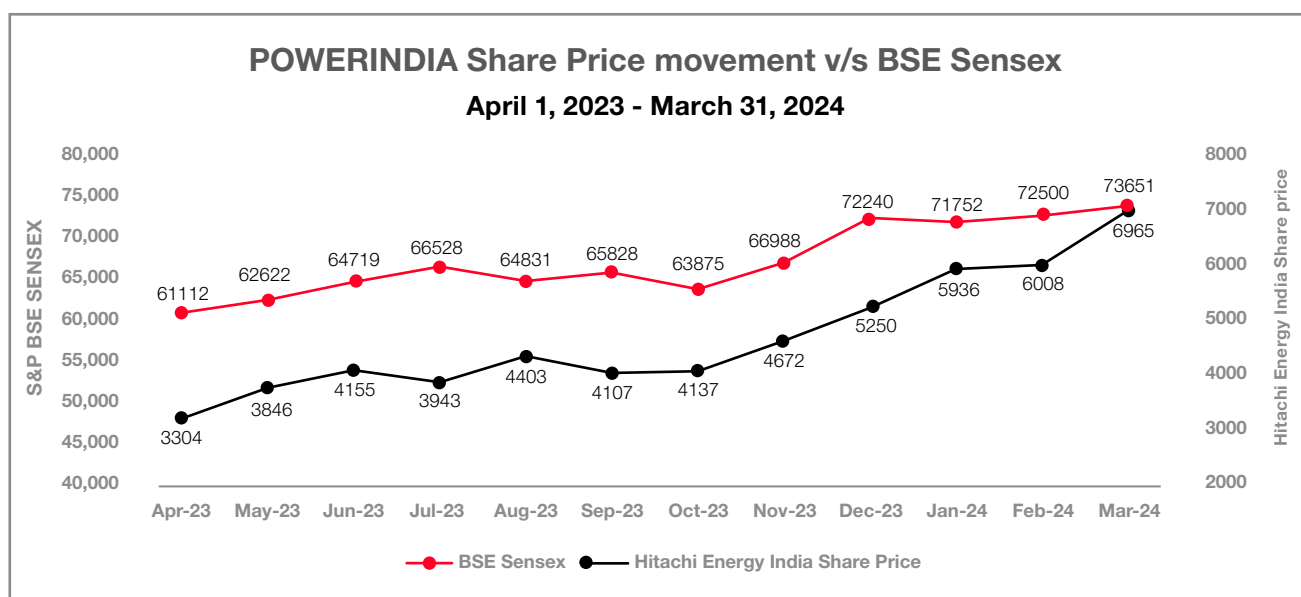
**NSE** POWERINDIA  
**BSE** 543187  
**ISIN** INE07Y701011

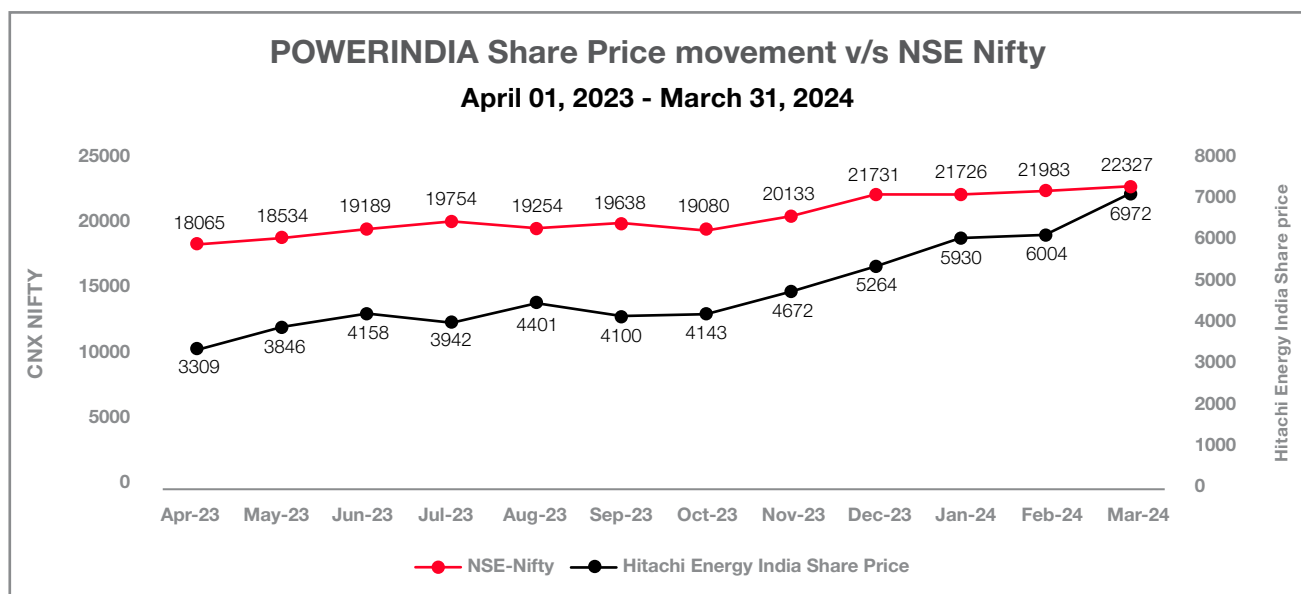
**f) Market Price Data:**

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 2023-24 were as follows:

Month	BSE-₹		BSE SENSEX		NSE-₹		NSE-NIFTY	
	High	Low	High	Low	High	Low	High	Low
Apr-23	3391	3030	61209	58793	3396	3030	18089	17313
May-23	4093	3283	63036	61002	4095	3310	18662	18042
Jun-23	4291	3812	64769	62359	4294	3815	19202	18465
Jul-23	4370	3933	67619	64836	4365	3931	19992	19234
Aug-23	4800	3908	66658	64724	4800	3902	19796	19224
Sep-23	4680	4094	67927	64818	4687	4090	20222	19256
Oct-23	4661	3900	66592	63093	4661	3896	19850	18838
Nov-23	4940	4126	67070	63550	4948	4116	20159	18974
Dec-23	5380	4715	72484	67149	5380	4700	21801	20184
Jan-24	6280	5300	73428	70002	6280	5274	22124	21137
Feb-24	6528	5637	73414	70810	6520	5665	22298	21530
Mar-24	7437	5989	74245	71674	7450	6005	22527	21710

**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  
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](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://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 Registered Office Address: 8 <sup>th</sup> Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru - 560 092	<b>Phone No:</b> 080 68473700 <b>Corporate Secretarial e-mail ID:</b> <a href="mailto:investors@hitachienergy.com">investors@hitachienergy.com</a> <b>Corporate Website:</b> <a href="https://www.hitachienergy.com/in/en">https://www.hitachienergy.com/in/en</a>

## 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), CFO and the Company Secretary 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 3, 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

The Company has already sent the request letter to all those Shareholders whose PAN and KYC details are 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 Financial year March 31, 2023 and March 31, 2024, 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 Financial year ended March 31, 2023 and March 31, 2024, 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 1, 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, 2024		March 31, 2023	
Sl. No.	Description	Total Shares	% Equity	Total Shares	% Equity
1	Mutual Funds	26,92,688	6.35	11,77,458	2.78
2	Foreign Portfolio – Corp	14,75,062	3.48	20,36,492	4.81
3	Foreign Institutional Investors	Nil	0.00	Nil	0.00
4	Trusts	6,463	0.02	3,309	0.01
5	Alternative Investment Fund	1,14,508	0.27	1,98,284	0.47
6	Resident Individuals	40,82,908	9.63	42,79,164	10.10
7	Non-Resident Indians	1,31,693	0.31	92,274	0.22
8	Clearing Members	450	0.00	1,422	0.00
9	Indian Financial Institutions	369	0.00	369	0.00
10	Banks	1,353	0.00	1,653	0.00
11	Qualified Institutional Buyer	13,07,317	3.08	19,61,453	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	Nil
14	Non-Resident Indian Non-Repatriable	1,53,974	0.36	1,22,905	0.29
15	Bodies Corporates	3,42,145	0.81	4,07,331	0.96
16	NBFC	15,197	0.04	9,892	0.02
17	Directors and their relatives	Nil	Nil	Nil	Nil
18	IEPF	1,05,389	0.25	1,07,190	0.25
19	HUF	1,65,086	0.39	1,95,480	0.46
20	Foreign Nationals	817	0.00	743	0.00
21	Foreign Portfolio Investors	Nil	Nil	Nil	Nil
<b>Total</b>		<b>4,23,81,675</b>	<b>100.00</b>	<b>4,23,81,675</b>	<b>100.00</b>

**k) Distribution of Shareholding (as on March 31, 2024):**

Category	No. of Shareholders	No. of Shares held	% of equity capital
1 – 5,000	62,364	40,41,235	9.54
5,001 – 10,000	41	2,93,785	0.69
10,001 – 50,000	57	13,92,386	3.29
50,001 – 100,000	9	6,10,600	1.44
100,001 and above	18	3,60,43,669	85.05
<b>Total</b>	<b>62,489</b>	<b>4,23,81,675</b>	<b>100.00</b>

**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. The shares are assigned the International Securities Identification Number (ISIN) INE07Y701011 under the Depository system.

As on March 31, 2024, out of 4,23,81,675 equity shares of the Company 4,21,54,779 equity shares have been dematerialized representing 99.47 percent. The Company confirms that the promoters' holdings 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:

- Total Exposure of the Company to commodities is ₹ 4,21,94,46,052/-.
- Exposure of the Company to various commodities:

Commodity Name	Exposure in ₹ towards the particular commodity	Exposure in Quantity terms toward the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Copper	3,66,67,96,387	4778 MT	-	-	-	-	-
Aluminum	55,26,49,665	1669 MT	-	-	2%	-	2%

- 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.

As a part of your Company's risk management strategy, the customer contracts are generally negotiated with price variation clause to mitigate the commodity price risk.

**o) Plant Locations:**

The plant locations of the Company are as detailed below:

Particulars of Plant Location	State
Plot No. 4A, 5 & 6, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Peenya, Bengaluru - 560 058	
Sy No. 30, Thammashettihalli Village, Kasaba Hobli, Dodaballapura Taluk, Bengaluru Rural - 562 163	Karnataka
Mysuru-Ooty Road, Thandavapura, Mysuru - 571 302	
Sy No. 211, Halol-Champaner Road, Panchmahal P.O. Chandrapura, Halol - 391 520	
Plot No. 25 & 26, Alindra Manjusar, Savli - GIDC, Vadodara - 391 775	Gujarat
Plot No. 42 & 43, Alindra Manjusar, Savli - GIDC, Vadodara - 391 775	
Maneja, Vadodara - 390 013	
Plot No. 3, Mahindra World City Industrial Park, Phase-V, 1 <sup>st</sup> Cross Road, 8 <sup>th</sup> Avenue, Etchankaranai Village, Chengalpattu Taluk, Kanchipuram - 603 004	Tamil Nadu

**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 that 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 November 6, 2023 and by Board of Directors at their meeting held on November 6, 2023. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on March 31, 2024. 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 9, 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 1<sup>st</sup> Annual General Meeting to hold such office for a period of 5 years till the conclusion of 6<sup>th</sup> Annual General Meeting. Remuneration approved was ₹ 1,44,45,312.50/- (Rupees One Crore Forty Four Lakhs Forty Five Thousand Three Hundred and Thirteen only) for the financial year 2023-24 (April 1, 2023 to March 31, 2024) plus applicable taxes in connection with the statutory audit of the Company and related services.

The details of the payment to be made for the financial year 2023-24 are as follows:

	(Amount in ₹ Lakhs)
Statutory audit fees (inclusive of out-of-pocket expenses)	68.00
Tax audit fees	18.00
Limited review fees	42.00
Group audit fees	16.00
Other certification fees	15.00
Reimbursement of expenses	2.00
<b>Total</b>	<b>161.00</b>

**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 sexual harassment complaints as received via this portal was investigated and brought to the attention of the Audit Committee of the Board from time to time.

**w) Disclosures on Corporate Governance Report:**

The Board hereby confirms that it has complied with all the mandatory requirements of Corporate Governance as specified in sub paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report and the Company has obtained a certificate from M/s. V. Sreedharan & Associates, regarding compliance of conditions of Corporate Governance as stipulated in this clause. The said certificate is annexed as **Annexure 3** to this report.

**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 2023-24.

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 1,07,190 Equity shares which remained as unclaimed with IEPF authorities as on March 31, 2023, the claim for 1,801 Equity shares were 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, 2024, is 1,05,389.

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 of certain types of agreements binding listed entities:**

Not Applicable

**z) 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. The Company has not given any loans or advances to firms/companies in which Directors are interested during the financial year ended March 31, 2024.

**aa) 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 December 31, 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

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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).

**bb) Disclosures:**

**i) Disclosures on Materially Significant Related Party Transactions:**

There was no materially significant related party transaction during the financial year having a 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 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/ Vigil Mechanism and Affirmation that No Personnel has been Denied Access to the Audit Committee:**

The Company has adopted Whistle Blower Policy/ Vigil Mechanism for directors, employees and third parties to report their concerns about unethical or inappropriate behavior, actual or suspected fraud or violation of the Company's Code of Conduct/ Business Ethics, leak of Unpublished Price Sensitive Information (UPLI) and related matters. This mechanism also provides adequate safeguards against the victimization of whistle blowers who avail of the whistle blower / vigil mechanism. The whistle blowers may also access their higher level/ supervisors and/ or the Audit Committee. No personnel has been denied access to the Chairman of the Audit Committee, for making the complaint on any Integrity issue.

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 2023-24, 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. Additionally, quarterly results for the quarter ended December 31, 2023 and annual audited financial results for the quarter and financial year ended March 31, 2024 are emailed to Shareholders whose email addresses are registered with the Company/ Depository Participants. 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 Regulations 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 Regulations and are independent of the management.

**Credit Ratings:**

The Company does not have any debt instrument, fixed deposit program 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 August 29, 2023, 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	₹ 6,000 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 4**

By order of the Board  
For **Hitachi Energy India Limited**

**Achim Michael Braun**  
Chairman  
DIN: 08596097

Place: Bengaluru  
Date: May 21, 2024

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## Annexure 1

# MD/ CFO CERTIFICATE

To,  
The Board of Directors,  
Hitachi Energy India Limited

We certify that:

- A.** We have reviewed the financial statements and the cash flow statement of Hitachi Energy India Limited for the financial year ended March 31, 2024, and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact 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.

Place: Bengaluru  
Date: May 21, 2024

**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, 2024.

For **Hitachi Energy India Limited**

Place: Bengaluru  
Date: May 21, 2024

**Nuguri Venu**  
Managing Director and CEO  
DIN: 07032076

## Annexure 3

### CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No. : L31904KA2019PLC121597

Nominal Capital : ₹ 10 Crores

**To,  
The Members of HITACHI ENERGY INDIA LIMITED,**

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, 2024. 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  
FCS: 7260; CP No.: 7835**

**Place: Bengaluru  
Date: May 21, 2024  
UDIN: F007260F000410124**

**Peer Review Certificate No.: 5543/2024**

## Annexure 4

### 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**  
8<sup>th</sup> Floor, Brigade Opus 70/401,  
Kodigehalli Main Road,  
Bengaluru - 560 092

We have examined the relevant records and disclosures received from the Directors of **HITACHI ENERGY INDIA LIMITED** having CIN: L31904KA2019PLC121597 and having registered office at 8<sup>th</sup> Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru - 560 092 (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](http://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, 2024 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.

#### Details of Directors:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Mukesh Hari Butani	01452839	24/12/2019
2	Ms. Akila Krishnakumar	06629992	24/12/2019
3	Mr. Nuguri Venu	07032076	02/12/2019
4	Mr. Achim Michael Braun	08596097	25/02/2021
5	Mr. Ismo Antero Haka	08598862	25/02/2021
6	Ms. Meena Ganesh	00528252	24/05/2023

\* Ms. Nishi Vasudeva (DIN: 03016991) tendered her resignation as the Independent Director of the Company effective from 24.05.2023.

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

**(Pradeep B. Kulkarni)**  
Partner  
FCS: 7260; CP No.: 7835  
Place: Bengaluru  
Date: May 21, 2024  
UDIN: F007260F000409851

Peer Review Certificate No.: 5543/2024

# Annexure - D to Board's Report

## Form MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2024

[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  
CIN: L31904KA2019PLC121597  
Registered Address: 8<sup>th</sup> Floor, Brigade Opus 70/401,  
Kodigehalli, Main Road, Bengaluru - 560 092.

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 (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 March 31, 2024 (April 1, 2023 to 31<sup>st</sup> March 2024), 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 31<sup>st</sup> March 2024, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- 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, 2018; – 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.

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- 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 Labor (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; ("LODR Regulations")

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

However, on May 2, 2023, the Company has received a request from certain members of the promoter and promoter group asking to reclassify their shareholdings from the 'Promoter' category to the 'Public' category. Following this request, on June 7, 2023, the Company has submitted an application to the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) seeking to reclassify these individuals in accordance with Regulation 31A of the LODR Regulations. Further, there was a one day late filing of the notification with the stock exchanges after submitting the reclassification application as required under Regulation 31A(8)(c). As a result, the stock exchanges issued advisory letters to the Company for this delay.

Further, the stock exchanges granted approval for the reclassification application on October 6, 2023. The approval allows the specified individuals to be moved from the 'Promoter' category to the 'Public' category, in line with the Company's application.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' if any, views are captured and recorded as part of the minutes. 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 other department heads, which were 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

Place: Bengaluru

Date: May 21, 2024

PR No.: 736/2020

FCS No.: 7834 CP No.: 13784

UDIN: **F007834F000417243**

**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.**

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**'Annexure A'**

To,  
The Members,  
Hitachi Energy India Limited  
CIN: L31904KA2019PLC121597  
Registered Address: 8<sup>th</sup> Floor, Brigade Opus 70/401,  
Kodigehalli Main Road, Bengaluru - 560 092

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, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account 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, authorized 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 labor 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

**Pramod S M**  
Partner

Place: Bengaluru  
Date: May 21, 2024  
PR No.: 736/2020

FCS No.: 7834 CP No.: 13784  
UDIN: **F007834F000417243**

# 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 contract entered into with related parties during the financial year 2023-24 (April 1, 2023 to March 31, 2024):

#### 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, 2024, which were not at arm's length basis.

#### 2. Details of material contracts or arrangements or transactions at arm's length basis:

There was a transaction entered into during the financial year ended March 31, 2024, which was material in nature and at an arm's length basis:

Name(s) of the related party and nature of the relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any (in ₹ Crores)
(a)	(b)	(c)	(d)	(e)	(f)
Hitachi Energy Sweden AB ("HE Sweden")	Sale or purchase of product(s), component(s), system(s) and / or rendering of receipt of services under multiple orders, for an aggregate value of up to ₹ 700 Crores entered into/ to be entered during the financial year 2023-24 (i.e., April 1, 2023 to March 31, 2024).	Financial Year 2023-24 (i.e., April 1, 2023 to March 31, 2024)	Terms and conditions vary based on various order(s)/ contract(s)/ agreement(s) <ul style="list-style-type: none"> <li>Delivery of Materials – generally FCA/ FOB/ DAP/CPT</li> <li>Payment terms – generally 30-120 days</li> <li>Indirect Taxes as applicable</li> <li>Currency – primarily Swedish Krona (SEK)/ United States Dollar (USD)</li> <li>Such other conditions customary to the context of the contract(s) / agreement(s)</li> </ul>	January 23, 2024	Up to ₹ 700 Crores

In addition, 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 of the contracts/ arrangements/ transactions (in months)	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	3	Arrangement for payment of electricity charges for the Peenya factory locations pursuant to Scheme of Arrangement	May 23, 2023 (which adjourned and concluded on May 24, 2023)	0.758
ABB India Limited	Providing Power / DG services	6	Arrangement for payment of electricity charges for the Maneja factory locations pursuant to Scheme of Arrangement	May 23, 2023 (which adjourned and concluded on May 24, 2023)	4.875
ABB Information Systems Ltd.	Availing IT Service Agreement	12	IT Support Service Agreement entered with ABB Information Systems Ltd., Zurich, Switzerland (CHGPL) pertaining to financial year 2022-23	May 23, 2023 (which adjourned and concluded on May 24, 2023)	0.06
ABB Information Systems Ltd.	Availing IT Service Agreement	12	IT Support Service Agreement entered with ABB Information Systems Ltd., Zurich, Switzerland (CHGPL) for the financial year 2023-24	May 23, 2023 (which adjourned and concluded on May 24, 2023)	2.00

Name(s) of the related party and nature of the relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions (in months)	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)
Hitachi Energy Holdings Ltd. [formerly known as ABB PG Power Grids Ltd. (CHPPG)]	Availing IT Service Agreement	12	Availing IT Service Agreement with ABB PG Power Grids Ltd., (CHPPG) for the financial year 2023-24	May 23, 2023 (which adjourned and concluded on May 24, 2023)	96.35
Hitachi Energy Holdings Ltd. [formerly known as ABB PG Power Grids Ltd. (CHPPG)]	REIWA and TSA Exit Additional Cost	12	REIWA and TSA exit charges - additional cost	May 23, 2023 (which adjourned and concluded on May 24, 2023)	32.40
ABB India Limited	Availing of Power / DG services	3	Arrangement for payment of electricity charges for Peenya factory locations pursuant to Scheme of Arrangement	July 25, 2023	0.758
ABB India Limited	Stamp duty towards the transfer of assets/ title deeds	N/A	Payment of stamp duty, for the property of the Company situated in Gujarat pursuant to the Demerger of Power Grids business from ABB India Limited	July 25, 2023	12.50
ABB India Limited	Availing IT Service Agreement	12	Extension of Local Service Agreement for availing local IS infrastructure, local IS management and related services	November 6, 2023	1.85
ABB Global Business Services and Contracting India Private Limited	Availing IT Service Agreement	12	Extension of Local Service Agreement for availing local IS infrastructure, local IS management, network connectivity, Non-ERP applications and related services	November 6, 2023	4.60
ABB Information Systems Ltd., Zurich, Switzerland (CHGPL)	Availing IT Service Agreement	12	Extension of Local Service Agreement for availing global ERP (Enterprise Resources Planning) application management, global ERP application licenses, global application operations and support and related services	November 6, 2023	6.68
Hitachi Energy Holdings Ltd. [formerly known as ABB PG Power Grids Ltd. (CHPPG)]	Availing IT Service Agreement	12	Extension of Local Service Agreement for availing certain IT related services	November 6, 2023	32.57
Hitachi Energy Technology Services Private Limited (INAPT)	IS cost allocation	12	Allocating Global Technology and Innovation Center (Indian Operation Center - INOPC) business unit related IS Cost	November 6, 2023	2.19

**Notes:**

- 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.
- Consequent to receipt of necessary approvals from the Stock Exchanges vide their letters dated October 6, 2023, ABB Asea Brown Boveri Ltd, ABB Switzerland Ltd, and ABB Ltd, have been reclassified from ‘Promoter/Promoter Group Category’ to ‘Public Category’. Accordingly, ABB group entities ceased to a related party effective from October 6, 2023.

By order of the Board  
For **Hitachi Energy India Limited**

**Achim Michael Braun**  
Chairman  
DIN: 08596097

Place: Bengaluru  
Date: May 21, 2024

# 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

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 by 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:

Sl. No.	Members of the Committee	Designation	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Ms. Akila Krishnakumar	Chairperson, Independent Director	4	4
2.	Mr. Nuguri Venu	Member, Managing Director and CEO	4	4
3.	Mr. Achim Michael Braun	Member, 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	<a href="https://www.hitachienergy.com/in/en/investor-relations/board-of-directors">https://www.hitachienergy.com/in/en/investor-relations/board-of-directors</a>
CSR Policy	<a href="https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies">https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies</a>
CSR projects approved by the board	<a href="https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#corporate-social-responsibility--csr-">https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#corporate-social-responsibility--csr-</a>

**4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

Not Applicable

**5. Disclosures:**

- (a) Average net profit of the Company as per Section 135(5): ₹ 183.88 Crores  
 (b) Two percent of the average net profit of the Company as per section 135(5): ₹ 3.68 Crores for the financial year 2023-24  
 (c) Surplus arising out of the CSR projects or programs 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)]: ₹ 3.68 Crores for the financial year 2023-24.

**6. Details:**

- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 1.42 Crores  
 (b) Amount spent in Administrative Overheads: ₹ 0.086 Crores  
 (c) Amount spent on Impact Assessment, if applicable: Nil  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 1.51 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
1,50,90,459	2,16,86,208	April 29, 2024	-	-	-

- (f) Excess amount for setoff, if any: NIL

Sl. No.	Particulars	Amount (₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	3,67,76,667
(ii)	Total amount spent for the financial year	1,50,90,459
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programs 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
Sl. No.	Preceding FY	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (₹)	Amount Spent in the Financial Year (₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹)	Deficiency, if any
					Amount (₹)	Date of Transfer		
1	FY 2020 (January 1, 2020 to December 31, 2020)	-	-	-	-	-	-	-
2	FP 2021-22 (January 1, 2021 to March 31, 2022)	-	1,055	1,055	-	-	-	-
3	FY 2022-23 (April 1, 2022 to March 31, 2023)	2,61,87,013	2,61,87,013	46,01,010	-	-	2,15,86,003	-

## 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:

Sl. 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 ₹ 3.68 Crores, out of which the Company has spent ₹ 1.51 Crores and an amount of ₹ 2.17 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 separate bank 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**

Place: Bengaluru  
Date: May 21, 2024

**Nuguri Venu**  
Managing Director and CEO  
(DIN: 07032076)

**Akila Krishnakumar**  
Chairperson - CSR Committee  
(DIN: 06629992)

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# 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:

##### ➤ Lighting:

- Mysuru location: Replacement of metal halide lamps with light-emitting diodes (LED) Lightings (60 numbers) - saves 3units/ hour in Low Tension side.
- Halol location: Installed 09 numbers of solar street lights on the factory roof which has resulted in saving of energy. Power saving in lighting achieved by installing motion sensors in washrooms and meeting rooms.

##### ➤ Equipment:

- Mysuru location: 5 numbers of star delta starters replaced with available spare drives – It has saved 25kwh (units) per hour in Low tension side. Faulty Capacitors are replaced with new capacitors with capacity 200KVAR in Low Tension side (Power Factor increased from 0.94 to 0.96)
- Savli location: In Dry & Traction factory, a new dedicated 5.5 KW compressor was installed for the casting plant which has reduced the operation of 30 KW Centralized compressor system. This has minimized the losses occurred due to the running of higher rated centralized compressor and projected yearly energy saving of 35,868 kWh.
- Maneja: Vapour Phased Drying (VPD1) Existing Chiller replaced with new higher capacity chiller. Vapour Phased Drying (VPD2) Cooling tower to be replaced with chiller unit; HVLS (High Volume Low Speed) installation in winding area for improvement in humidity level as well comfort level.

##### ➤ Process improvements:

- Maneja location: Optimized operation of Heating, Ventilation, and Air Conditioning (HVAC) system in Canteen. Automated the operation of HVAC by installing Bluetooth based time switch, motorized Molded Case Circuit Breaker (MCCB) and by modifying the wiring in the canteen. This has resulted in saving of energy by minimizing the operation of HVAC in non-peak hours and expects estimated saving of 96,000 kWh per annum.
- Halol location: Stopped fresh air circulation of air in ovens by tuning of burners to reduced fresh air consumption and provided thermal insulation to the hot lines of the oven which has resulted in saving in energy as well as reduced Piped Natural Gas (PNG) consumption. Stopped the operation of spray nozzle pumps of Air Handling Units during the monsoon and winter which has resulted in saving in energy.

##### ➤ Energy monitoring system:

- Maneja location: Installation of Smart energy monitoring system - total 7 nos. of High Voltage/Low Voltage substations and 53 energy meters are connected. Energy consumption pattern monitored, and initiatives taken to reduce energy consumption per unit of production.

#### 2. The steps taken by the Company for utilizing alternate sources of energy:

- Achieved 100% fossil-free electricity in its own operations as part of Sustainability 2030 target of becoming carbon-neutral in own operations.
- To 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).
- Maneja and Halol transitioned to low carbon fuel PNG (Piped Natural Gas) from 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 fiscal year 2023-24.
- Biofuels in Mysuru - Use of waste dust from process and paddy husks in boilers.

### 3. The Capital Investment on energy conservation equipment's:

14 Projects – CAPEX – ₹ 1,17,21,581

## B. Technology Absorption:

### 1. Technologies imported during the last three years:

Details of Technology Imported	Year of Import	Whether the technology has been fully absorbed	If not fully absorbed areas where this has not taken place, reasons thereof
New UHVDC transformer manufacturing technology	2021-22	Yes	Not Applicable
Transformer digitalization with lab testing transformer	2021-22	Yes	
Dynamic Short Circuit test on 400 kV, 110 MVA Station transformer at utility lab	2021-22	Yes	
Seismic, 3-D Dielectric and Electromagnetic studies for transformers	2021-22	No	Application area needs continuous update
Aluminum Wound Excitation Transformer - 6.8 MVA 22/0.76	2021-22	Yes	Not Applicable
Single Phase Aluminum Wound Transformer - 3.5/4 MVA 33/27.5	2021-22	Yes	
Gas Insulated Switchgear (GIS) – 145 kV (ELK04) bay and module production	2021-22	Yes	
Dead Tank Breakers (DTB) - 72.5 kV and 145 kV	2021-22	Yes	
Plug And Switch System (PASS) switchgear 145 kV	2021-22	Yes	
Reliability centered maintenance Solutions (RelCare)	2021-22	Yes	
Prefabricated GIS Substation as an alternative to RCC Buildings	2021-22	Yes	
Base Solutions for Solar PV Skid	2021-22	Yes	
Building Information Modelling (BIM) and 3D Design for Substation Project Lifecycle	2021-22	Yes	
New bistable relay for PT selection under COMBIFLEX relay portfolio	2021-22	Yes	
Automation system: - Electrical Network Control Center SCADA (Supervisory Control and Data Accusation) - Remote Terminal Units (RTU) for distribution automation - Motor Protection system - Digital process bus based busbar protection	2021-22	No	Motor protection and busbar protection areas are being updated continuously
Enterprise Asset Management (EAM) and Field Service Management (FSM)	2021-22	Yes	Not Applicable
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.	2022-23	Yes	
Fully digital power transformer (63 MVA 220kV) equipped with e-Devices, ODGA (CoreSense), CT4 (TXpert hub)	2022-23	Yes	
Traction Transformer design for Vande Bharat Train operated by Indian Railways.	2022-23	Yes	
Largest Solar Transformer engineering solution of 315MVA 400kV 3-phase transformer	2022-23	Yes	
Rectifier duty Transformer (24 pulse) for industrial and metro applications	2022-23	Yes	
Hybrid GIS Pole (145 kV) assembly engineering and cable configuration	2022-23	Yes	
Fabricated Local Control Cubicle for Dead Tank Breakers (DTB)	2022-23	Yes	
Hybrid GIS - 170kV	2022-23	Yes	
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; DTB poles 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	2022-23	Yes	
Vertical Break Disconnectors 145-170 kV	2022-23	Yes	

Details of Technology Imported	Year of Import	Whether the technology has been fully absorbed	If not fully absorbed areas where this has not taken place, reasons thereof
Manufacturing/Assembly and Testing of HVDC Light, Classic and STATCOM Valves; HVDC Control and Protection	2022-23	Yes	Not Applicable
Detailed reliability assessment (RelScan) for reliability-centered maintenance (RCM) of power assets and systems.	2022-23	Yes	
Automation products: Development of relays with alternate mounting & connection	2022-23	Yes	
Automation system technologies with: - Remedial Action Schemes - Centralized fault locator for Railways - New SCADA platform adoption for Industrial application	2022-23	No*	In process and planned as multi-year development beyond FY 2023-24
Digital busbar for large system application	2022-23	Yes	Not Applicable
Lumada Asset Performance Management (Lumada APM)	2022-23	Yes	
Vegetation Manager	2022-23	No	Application area, being updated continuously
Energy Trading & Risk Management (ETRM)	2022-23	No	Application area, being updated continuously
Network Manager SCADA, SCADA/EMS	2022-23	Yes	Not Applicable
Variable Shunt Reactors (VSR) at 245kV and 420kV voltage level.	2023-24	No	Absorption in process along with manufacturing and competency development
Rolling stock traction transformer for Metro (Chennai Metro, DMRC RS-17 and Train-18 Vande Bharat).	2023-24	Yes	Not Applicable
High power transformer LV winding design improvement with dynamic short-circuit testing	2023-24	Yes	
High Voltage Switchgear - Assembly of 420 kV GIS Disconnecter and Earthing Switch drive - Assembly of 420 kV GIS Fast Acting Earthing Switch Drive. - Circuit Breaker (550 kV) Poles assembly - New DTB 245 kV	2023-24	Yes	Not Applicable
High Voltage Switchgear - New Hybrid GIS (PASS) 245 kV - Dead tank current Transformer for Hydro-Quebec - 800 kV - Capacitive voltage transformer and Coupling capacitor for HVDC application - Dead Tank Breaker 245 kV 80 kA Interrupter & Circuit Breaker - Withdrawable Switchgear Module COMPASS - Vertical break disconnecter – 550 kV, 63 kA	2023-24	No*	In process and planned as multi-year development beyond FY 2023-24
- Latest (Voltage Sourced Converter) HVDC (HVDC Light, version G5) valve technology - Latest HVDC control and Protection (MACH 3) for VSC HVDC Station	2023-24	Yes	Not Applicable
- SVC Light Solutions for Grid Stability applications	2023-24	No*	In process and planned as multi-year development beyond FY 2023-24
Automation and Communication Technologies: MicroSCADA Software, Remote Terminal Unit - RTU500 series, Smart Grid Communication Technology - FOX615	2023-24	Yes	Not Applicable
Process interface unit SAM600 for Digital substations	2023-24	No*	In process and planned as multi-year development beyond FY 2023-24

\* These imported technologies are not fully absorbed due to multi-year programs.

## 2. Efforts made towards technology absorption (in manufacturing, engineering, products, systems, solutions, services) during financial year 2023-24 (i.e. April 1, 2023 to March 31, 2024):

Technology absorption during FY 2023-24	Benefits derived as a result of the technology absorption
Successfully developed Scott-connected Traction supply Power Transformer at 132kV level bearing 100MVA power and carried out all Type tests and Special Dynamic Short Circuit Test for supply to Indian Railways. This happens to be the first Scott-connected transformer in Hitachi Energy Group	1 <sup>st</sup> in India to develop and qualify to supply 132kV Scott-connected transformers complying with RDSO (Indian Railways) specifications. Unique design Solution for 3-phase to 2-phase 25kV Traction supply power transformers. Only two manufacturers in India have completed this requirement.
Successfully developed V-connected Traction Power Transformer at 132kV level bearing 63MVA power and carried out all Type tests and Special Dynamic Short Circuit Test for supply to Indian Railways.	1 <sup>st</sup> in India to develop and qualify to supply V-connected traction supply power transformers complying with RDSO (Indian Railways) specifications. Only two manufacturers in India have completed this requirement.
Successfully developed prototype of 500MVA 400kV Auto transformer complying with CEA new mandatory specification and Dynamic Short Circuit test for supply to POWERGRID	Approved to quote one of the most popular transformer requirements in Indian transmission segment. Only a few manufacturers in India have completed this requirement.
Successfully developed prototype of 315MVA 400kV Twin LV Solar application Power Transformer complying with CEA new mandatory specification and Dynamic Short Circuit test for supply to NTPC.	1 <sup>st</sup> in India to conduct Dynamic Short Circuit test on highest rated Solar application power transformer. This paves the way to quote and secure more solar application transformers for growing renewable market need.
Successfully developed 6MVA, 20/0.62kV, Dry type transformer design solution and validated with Short Circuit test.	Successful Short circuit test with highest ever current from HE Savli factory opens door to larger size of Dry type transformers for special applications.
Successfully developed 2850 kVA, 33/0.585-0.585 kV, 24Pulse Dry type transformer with lowest ever coil height and with in-built TVP solution.	Support to serve the new market segment of Metro application with safer and more reliable technology.
Successfully developed 2500 kVA, 11/1.905-1.905 kV, 24Pulse Dry transformer.	Supports Hitachi Energy India's capability to extend scope of 24 pulse transformers.
Successfully developed 3150 kVA, 33 / 0.415 kV Dry transformer with very low inrush current. This is equipped with Exotherm, VRT 200.	Supports special applications used by major customers like Microsoft and other data center owners.
1250 kVA, 11/ 0.433 kV Dry type transformer successfully short circuit tested with plug in bushings	Supports opening market for tunnels segment.
400VA, 0.48 / 0.415 kV, Dry type transformer, first time top yoke assembled at site to meet stringent requirements on weight during shipment.	Provides opportunity to explore new possibilities for remote sites.
Introduced 420 kV, 63 kA SF6 Circuit Breaker	Cost effectiveness
Metal Enclosed Capacitor Bank E series capacitor panel (Aluminum enclosure) 15.5 kV and 30 kV with multiple variants from 3000 to 15000 kVAR developed in India factory for Tragedel Mali project	Increase in product range and increase in market.
Special type test for required for EIL Temperature rise test to simulate actual losses or each component in 6.6kV 2000kVAR Capacitors	wider market reach to meet oil and gas industry.
Developed fire protection design for automatic switched capacitor panel 11kV 7000kVAR for automobile Industry- New features (additional safety) to meet stringent safety requirement of Maruti Suzuki	This will add value to existing product to increase revenue.
Harmonic filters C type design at 220kV and 132 kV to meet transmission utility of UAE.	Increase market and qualification in Transco.
Harmonic filters, High pass and Band pass filter along with switched solution with PLC SCADA interface for at 33kV to meet harmonic mitigation in solar wind , renewable market	Increase in product features and increase in market share in renewable sector.
Assembly of 420 kV GIS Disconnecter and Earthing Switch drive	Cost effectiveness
Assembly of 420 kV GIS Fast Acting Earthing Switch Drive.	
Type Testing of the 420 kV GIS	Qualify for the Export Projects
- Production line setup for FSA drives for 145kV MEB0 SPO application and 245kV MEB4 / CSB4 application.	Make In India, Cost benefits, more competitiveness.
- Dead Tank Breaker MEB4 245kV Circuit Breaker and Hybrid Switchgear MEB4 Circuit Breakers and Disconnecter modules.	
Production set up and qualification for vertical break disconnectors 72-123 kV	Export markets

Technology absorption during FY 2023-24	Benefits derived as a result of the technology absorption
<ul style="list-style-type: none"> <li>- VSC (Voltage Sourced Converter) HVDC station technology Engineering and competency development</li> <li>- Latest VSC HVDC (HVDC Light, version G5 ) valve technology(type testing completed)</li> <li>- Latest HVDC control and Protection (MACH 3) for VSC HVDC Station</li> </ul>	Contributing towards <ul style="list-style-type: none"> <li>- Make in India</li> <li>- Cost competitiveness</li> <li>- Local vendor development</li> <li>- Employment opportunities</li> </ul>
STATCOM solutions offering for Transmission Grid Stability	Secured new order from Sterlite Power Transmission
Automation and Communication Technologies <ul style="list-style-type: none"> <li>- MicroSCADA Software</li> <li>- Remote Terminal Unit - RTU500 series</li> <li>- Process interface unit - SAM600 for Digital substations</li> <li>- Smart Grid Communication Technology - FOX615</li> </ul>	Various customer engagements were done during 2023-24 towards positioning these solutions to different customers. Further for few of the cases budgetary proposals are also submitted and under discussions. Order for Green field and Brownfield project for <ul style="list-style-type: none"> <li>- MicroSCADA under substation automation systems application for Transmission and Renewable segments</li> <li>- RTU500 for Distribution Applications</li> <li>- SAM600 for various augmentation jobs for installed bases</li> <li>- FOX615 for mission critical communication system in T&amp;D space</li> </ul>

### 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 been mainly 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 ₹ 90.50 Crores as royalty and technology fees to Hitachi Energy Switzerland Ltd. (CHPGS) and ₹ 99.65 Crores to Hitachi Energy Ltd., Switzerland (CHAMH). Further, during the financial year 2023-24, CHPGS was merged with CHAMH.

### C. Foreign exchange earnings and outgo:

#### Total foreign exchange used and earned

Particulars	(Amount in ₹ Crores)	
	2023-24 (April 1, 2023 to March 31, 2024)	2022-23 (April 1, 2022 to March 31, 2023)
Foreign Exchange earned	1,282.95	1,188.62
Foreign Exchange used	1,563.71	1,068.14

On behalf of Board of Directors  
**For Hitachi Energy India Limited**

**Achim Michael Braun**  
Chairman  
DIN: 08596097

Place: Bengaluru  
Date: May 21, 2024

# Independent Auditor's Report

To the Members of Hitachi Energy India Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Hitachi Energy India Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, 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 material 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, 2024, 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, 2024. 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
<p><b>Revenue recognition for long term projects and contract estimates</b> (as described in Note 2.3.1(d), 2.6, 15, 23 and Note 38 of the accompanying financial statements)</p> <p>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 "material accounting policies" of the financial statements.</p> <p>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.</p> <p>There are various areas involving complexities, judgements and estimates involved in accounting for revenue recognized on "over the time" basis, including:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>• We assessed the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>• We tested key controls (both design and operating effectiveness) with respect to revenue recognition and related cost estimations.</li> <li>• We carried out analytical procedures on revenue recognized during the year ended to identify unusual variances.</li> <li>• We performed substantive testing by selecting samples of revenue transactions, recorded during the year ended by testing the underlying documents using statistical sampling.</li> <li>• We evaluated management's estimates (contract costs and risk provisions) by performing analytical procedures on such estimates.</li> <li>• 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.</li> <li>• 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.</li> <li>• We assessed the disclosures made in the financial statements.</li> </ul>

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**Trade receivables (including unbilled revenue) and contract assets**

(as described in Note 2.3.1(i), 12, 15 and 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.

Management makes an impairment allowance for trade receivables (including unbilled revenue) and contract assets on the basis of its 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. 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.

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**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 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, 2024 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, to the extent applicable, 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 except, as detailed in note 44 of the financial statements, for the matters stated in the paragraph (h) and (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended;
  - (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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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, 2024 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) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended.
- (i) 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 43 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 persons or entities, 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 43 to the accompanying financial statements, no funds have been received by the Company from any persons or entities, 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. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 44 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the aforesaid accounting software where audit trail has been enabled.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Sandeep Karnani**

**Partner**

**Membership Number:** 061207

**UDIN:** 24061207BKBJWO2660

Place: Bengaluru

Date: May 21, 2024

# 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 ('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	₹ 174.81 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, 2024.
- (e) As disclosed in note 43 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, 2024 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)	₹ 6.19 Crores
Balance outstanding as at balance sheet date in respect of above cases - Others (loans to employees)	₹ 6.87 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) The dues of 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 which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Central Goods and Services Tax Act, 2017	Goods & Service Tax-demand for differential amount	₹ 17.88 crore	Oct 2021 to Jun 2022	Additional Commissioner of Central Tax (Appeals)	
Income Tax Act, 1961	Assessment order u/s 143(3)	₹ 8.62 crore	FY 2020-21 and FY 2021-22	Assessing officer	

- (viii) As disclosed in note 43 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 43 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 41 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 40 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 40 to the accompanying financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Sandeep Karnani**

**Partner**

**Membership Number:** 061207

**UDIN:** 24061207BKBJWO2660

Place: Bengaluru

Date: May 21, 2024

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# 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**

### **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 ("the Company") as of March 31, 2024 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, 2024, 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: 24061207BKBJWO2660**

Place: Bengaluru

Date: May 21, 2024

# Balance Sheet

## as at March 31, 2024

All amount in Indian Rupees in crores, except as stated otherwise

	Notes	March 31, 2024	March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	596.07	616.75
Right-of-use assets	3	66.48	63.70
Capital work-in-progress	4	62.57	48.67
Goodwill	5	31.80	31.80
Other intangible assets	5	0.60	1.08
Financial assets			
Loans	6	3.15	3.49
Other financial assets	7	13.75	13.59
Non-current tax assets (net)	8	33.08	33.80
Deferred tax assets (net)	9	53.70	31.87
Other non-current assets	10	17.42	1.90
		<b>878.62</b>	<b>846.65</b>
<b>Current assets</b>			
Inventories	11	887.94	817.90
Financial assets			
Trade receivables	12	1,521.71	1,527.77
Cash and cash equivalents	13	128.04	163.19
Bank balances other than cash and cash equivalent	14	0.16	0.10
Loans	6	3.72	2.19
Other financial assets	7	50.65	34.47
Other current assets	15	1,236.53	526.24
		<b>3,828.75</b>	<b>3,071.86</b>
<b>Total assets</b>		<b>4,707.37</b>	<b>3,918.51</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	8.48	8.48
Other equity	17	1,351.39	1,206.83
		<b>1,359.87</b>	<b>1,215.31</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	36(b)	52.07	46.62
Other financial liabilities	18	4.28	2.20
		<b>56.35</b>	<b>48.82</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19	150.00	275.00
Lease liabilities	36(b)	11.61	12.69
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	50.33	76.22
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	1,759.39	1,438.40
Other financial liabilities	18	130.06	123.08
Other current liabilities	21	941.16	533.79
Provisions	22	221.90	195.20
Liabilities for current tax (net)		26.70	-
		<b>3,291.15</b>	<b>2,654.38</b>
<b>Total equity and liabilities</b>		<b>4,707.37</b>	<b>3,918.51</b>

Summary of material 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

For and on behalf of the Board of Directors of

**Hitachi Energy India Limited**

Corporate identity number (CIN) : L31904KA2019PLC121597

**Achim Michael Braun**

Chairman & Director

DIN: 08596097

**Nuguri Venu**

Managing Director & CEO

DIN: 07032076

**Ajay Singh**

Chief Financial Officer

**Mukesh Hari Butani**

Director

DIN: 01452839

**Poovanna C Ammatanda**

General Counsel &

Company Secretary

(FCS4741)

Place: Bengaluru

Date: May 21, 2024

Bengaluru

May 21, 2024

# Statement of profit and loss

## for the year ended March 31, 2024

All amount in Indian Rupees in crores, except as stated otherwise

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income</b>			
Revenue from operations	23	5,237.49	4,468.51
Other income	24	9.29	15.14
<b>Total income</b>		<b>5,246.78</b>	<b>4,483.65</b>
<b>Expenses</b>			
Cost of raw materials, components consumed and project bought outs	25	3,108.60	2,721.24
Purchase of stock-in-trade		87.59	85.61
(Increase)/ decrease in inventories of finished goods, work-in-progress and stock-in-trade	26	22.91	(95.89)
Subcontracting charges		183.42	150.58
Employee benefits expense	27	490.15	417.29
Depreciation and amortisation expense	28	90.01	80.16
Finance costs	29	46.55	40.09
Other expenses	30	995.85	953.75
<b>Total expenses</b>		<b>5,025.08</b>	<b>4,352.83</b>
<b>Profit before tax</b>		<b>221.70</b>	<b>130.82</b>
Tax expense:			
Current tax	9	77.41	35.94
Adjustment of tax relating to earlier periods	9	0.72	(1.39)
Deferred tax charge/ (credit)	9	(20.21)	2.37
<b>Total tax expense</b>		<b>57.92</b>	<b>36.92</b>
<b>Profit for the year</b>		<b>163.78</b>	<b>93.90</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plan	32	(6.43)	2.33
Income tax effect	9	1.62	(0.59)
<b>Other comprehensive income for the year, net of income tax</b>		<b>(4.81)</b>	<b>1.74</b>
<b>Total comprehensive income for the year, net of income tax</b>		<b>158.97</b>	<b>95.64</b>
<b>Earnings per equity share of face value of ₹ 2 each</b>			
Basic and diluted (₹)	31	38.64	22.16

Summary of material 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 21, 2024

For and on behalf of the Board of Directors of

**Hitachi Energy India Limited**

Corporate identity number (CIN) : L31904KA2019PLC121597

**Achim Michael Braun**

Chairman & Director

DIN: 08596097

Bengaluru  
May 21, 2024

**Nuguri Venu**

Managing Director & CEO

DIN: 07032076

**Ajay Singh**

Chief Financial Officer

**Mukesh Hari Butani**

Director

DIN: 01452839

**Poovanna C Ammatanda**

General Counsel &

Company Secretary

(FCS4741)

# Statement of cash flows

## for the year ended March 31, 2024

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flows from operating activities</b>		
Profit before tax	221.70	130.82
<b>Adjustments to reconcile profit before tax to net cash flows from operating activities</b>		
Depreciation and amortisation expense	90.01	80.16
Liabilities/ provisions no longer required written back	(5.57)	(14.55)
Unrealised exchange (gains)/ loss (net)	(8.12)	2.85
Mark to market change in forward, commodity contracts and embedded derivative contracts	0.55	(0.10)
(Gain)/Loss on sale of property, plant and equipment (net)	0.38	0.47
Provision for doubtful debts and advances/ bad debts/ advances written off	7.45	14.49
Interest income	(0.59)	(0.57)
Finance costs	46.55	40.09
<b>Operating profit before working capital changes</b>	<b>352.36</b>	<b>253.66</b>
<b>Movement in working capital</b>		
Increase/ (decrease) in trade payables	306.66	(90.57)
Increase/ (decrease) in other financial liabilities	15.77	6.22
Increase/ (decrease) in other liabilities and provisions	427.64	260.43
(Increase)/ decrease in trade receivables	0.02	(125.34)
(Increase)/ decrease in inventories	(70.04)	(110.65)
(Increase)/ decrease in other financial assets	(17.29)	(7.92)
(Increase)/ decrease in loans and other assets	(712.10)	(113.89)
<b>Cash generated from operations</b>	<b>303.02</b>	<b>71.94</b>
Direct taxes paid (net of refunds)	(50.71)	(66.57)
<b>Net cash flow from/ (used in) operating activities</b>	<b>252.31</b>	<b>5.37</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment including capital advances (net of reimbursement of capital expenditure)	(89.36)	(11.94)
Proceeds from sale of property, plant and equipment	0.42	0.04
Purchase of intangible assets	-	(0.07)
Interest received	0.22	0.20
<b>Net cash flow (used in)/ from investing activities</b>	<b>(88.72)</b>	<b>(11.77)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from/ (repayment of) short term borrowings (net)	(125.00)	150.00
Finance costs paid	(40.90)	(35.81)
Payment of principal portion of lease liabilities	(14.17)	(13.60)
Payment of interest portion of lease liabilities	(4.32)	(4.24)
Dividend paid on equity shares	(14.35)	(12.66)
<b>Net cash flow (used in)/ from financing activities</b>	<b>(198.74)</b>	<b>83.69</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(35.15)</b>	<b>77.29</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>163.19</b>	<b>85.90</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>128.04</b>	<b>163.19</b>
<b>Components of cash and cash equivalents (refer note 13)</b>	<b>128.04</b>	<b>163.19</b>

Notes:

- Cash and cash equivalents at the end of the year represent cash and cheques on hand/ remittance in transit and cash at bank.
- Cash flow statement is made using the indirect method.
- Refer note 13 for details pertaining to changes in liabilities arising from financing activities.

Summary of material 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

For and on behalf of the Board of Directors of

**Hitachi Energy India Limited**

Corporate identity number (CIN) : L31904KA2019PLC121597

**Achim Michael Braun**

Chairman & Director

DIN: 08596097

**Nuguri Venu**

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Chief Financial Officer

**Mukesh Hari Butani**

Director

DIN: 01452839

**Poovanna C Ammatanda**

General Counsel &

Company Secretary

(FCS4741)

Place: Bengaluru  
Date: May 21, 2024

Bengaluru  
May 21, 2024

# Statement of Changes in Equity

## for the year ended March 31, 2024

### 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
<b>As at April 01, 2022</b>	<b>42,381,675</b>	<b>8.48</b>
Changes in equity share capital	-	-
<b>As at March 31, 2023</b>	<b>42,381,675</b>	<b>8.48</b>
Changes in equity share capital	-	-
<b>As at March 31, 2024</b>	<b>42,381,675</b>	<b>8.48</b>

### b. Other equity:

All amount in Indian Rupees in crores, except as stated otherwise

Particulars	Attributable to equity shareholders					Total equity
	Reserves and surplus					
	Securities premium	General reserve	Retained earnings	Capital reserve	Amalgamation adjustment deficit account	
<b>As at April 01, 2022</b>	<b>9.80</b>	<b>507.10</b>	<b>608.39</b>	<b>0.18</b>	<b>(1.56)</b>	<b>1,123.91</b>
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)
<b>As at March 31, 2023</b>	<b>9.80</b>	<b>507.10</b>	<b>691.31</b>	<b>0.18</b>	<b>(1.56)</b>	<b>1,206.83</b>
Profit for the year	-	-	163.78	-	-	163.78
Other comprehensive income for the year (net of tax)	-	-	(4.81)	-	-	(4.81)
Dividend for the year ended March 31, 2023 (₹ 3.40 per share of face value of ₹ 2 each)	-	-	(14.41)	-	-	(14.41)
<b>As at March 31, 2024</b>	<b>9.80</b>	<b>507.10</b>	<b>835.87</b>	<b>0.18</b>	<b>(1.56)</b>	<b>1,351.39</b>

Summary of material accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

#### For S.R. Batiiboi & Associates LLP

Chartered Accountants

Firm registration number: 101049W/E300004

per Sandeep Karnani

Partner

Membership no. 061207

Place: Bengaluru

Date: May 21, 2024

For and on behalf of the Board of Directors of

**Hitachi Energy India Limited**

Corporate identity number (CIN) : L31904KA2019PLC121597

**Achim Michael Braun**

Chairman & Director

DIN: 08596097

Bengaluru

May 21, 2024

**Nuguri Venu**

Managing Director & CEO

DIN: 07032076

**Ajay Singh**

Chief Financial Officer

**Mukesh Hari Butani**

Director

DIN: 01452839

**Poovanna C Ammatanda**

General Counsel &

Company Secretary

(FCS4741)

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# Notes to the financial statements

## for the year ended March 31, 2024

### 1 Corporate Information

Hitachi Energy India Limited ('the Company' or 'INHE') 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 21, 2024.

### 2 Material accounting policies

The material 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.

#### 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.

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**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.

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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 at a point in time when control of the goods is transferred to the buyer, usually on delivery of the goods or on customer acceptance. 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 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 and other 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 equipment	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.

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## 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:

- In the principal market for the asset or liability, or
- 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:

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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.

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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 Insurance 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 Climate-related matters

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments.

## 2.25 New and amended standards (Ind AS)

The following amended standards as considered applicable were effective during the year, however, these amendments had no material impact on the financial statements of the Company

### (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 April 01, 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 does not 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 April 01, 2023. Consequential amendments have been made in Ind AS 107.

The amendments does not have a material impact on the financial statements of the Company.

### (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 April 01, 2023.

The amendments does not have a material impact on the financial statements of the Company.

## 2.26 Recent Indian Accounting Standards (Ind AS)

There are no standards that are notified and not yet effective as on the date.

### 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	Furniture and fixtures	Vehicles	Total Owned Assets	Leasehold land	Office buildings	Vehicles	Total ROU Assets
<b>Gross carrying value</b>													
<b>As at April 01, 2022</b>	<b>13.71</b>	<b>9.68</b>	<b>135.68</b>	<b>48.06</b>	<b>623.88</b>	<b>9.80</b>	<b>17.70</b>	<b>0.58</b>	<b>859.09</b>	<b>9.53</b>	<b>71.55</b>	<b>14.53</b>	<b>95.61</b>
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)
<b>As at March 31, 2023</b>	<b>13.71</b>	<b>17.02</b>	<b>141.29</b>	<b>40.08</b>	<b>739.52</b>	<b>9.82</b>	<b>19.83</b>	<b>0.92</b>	<b>982.19</b>	<b>9.53</b>	<b>71.00</b>	<b>17.51</b>	<b>98.04</b>
Additions	-	0.82	0.66	3.73	42.67	1.50	2.80	1.47	53.65	-	10.58	8.83	19.41
Disposals	-	(0.11)	(0.03)	(0.08)	(4.18)	(0.08)	(0.21)	-	(4.69)	-	(11.55)	(4.03)	(15.58)
<b>As at March 31, 2024</b>	<b>13.71</b>	<b>17.73</b>	<b>141.92</b>	<b>43.73</b>	<b>778.01</b>	<b>11.24</b>	<b>22.42</b>	<b>2.39</b>	<b>1,031.15</b>	<b>9.53</b>	<b>70.03</b>	<b>22.31</b>	<b>101.87</b>
<b>Accumulated depreciation</b>													
<b>As at April 01, 2022</b>	<b>-</b>	<b>3.61</b>	<b>20.21</b>	<b>9.64</b>	<b>267.73</b>	<b>4.74</b>	<b>5.82</b>	<b>0.13</b>	<b>311.88</b>	<b>1.01</b>	<b>16.70</b>	<b>5.95</b>	<b>23.66</b>
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)
<b>As at March 31, 2023</b>	<b>-</b>	<b>5.44</b>	<b>26.51</b>	<b>11.10</b>	<b>308.87</b>	<b>5.83</b>	<b>7.41</b>	<b>0.28</b>	<b>365.44</b>	<b>1.10</b>	<b>25.42</b>	<b>7.82</b>	<b>34.34</b>
Depreciation charge for the year	-	2.83	6.52	1.83	58.30	1.56	2.21	0.28	73.53	0.09	11.37	4.54	16.00
Disposals	-	(0.11)	(0.02)	(0.08)	(3.43)	(0.08)	(0.17)	-	(3.89)	-	(11.51)	(3.44)	(14.95)
<b>As at March 31, 2024</b>	<b>-</b>	<b>8.16</b>	<b>33.01</b>	<b>12.85</b>	<b>363.74</b>	<b>7.31</b>	<b>9.45</b>	<b>0.56</b>	<b>435.08</b>	<b>1.19</b>	<b>25.28</b>	<b>8.92</b>	<b>35.39</b>
<b>Net carrying value as at March 31, 2023</b>	<b>13.71</b>	<b>11.58</b>	<b>114.78</b>	<b>28.98</b>	<b>430.65</b>	<b>3.99</b>	<b>12.42</b>	<b>0.64</b>	<b>616.75</b>	<b>8.43</b>	<b>45.58</b>	<b>9.69</b>	<b>63.70</b>
<b>Net carrying value as at March 31, 2024</b>	<b>13.71</b>	<b>9.57</b>	<b>108.91</b>	<b>30.88</b>	<b>414.27</b>	<b>3.93</b>	<b>12.97</b>	<b>1.83</b>	<b>596.07</b>	<b>8.34</b>	<b>44.75</b>	<b>13.39</b>	<b>66.48</b>

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, 2024, the Company is in process of getting the registered name transferred to the Company for gross block (deemed cost) amounting to ₹ 174.81 crores and net carrying value amounting to ₹ 135.33 crores. Furthermore, the title deeds of aforementioned properties are not in the name of a promoter.
- iii) Reimbursement of capital expenditure: During the year ended March 31, 2023, Hitachi Energy Ltd entered into an agreement with the Company towards reimbursement of ₹ 28.50 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 ₹ 28.50 Crore receivable 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 39.

## 4 Capital work-in-progress

All amount in Indian Rupees in crores, except as stated otherwise

	Amount
<b>Gross carrying value</b>	
<b>As at April 01, 2022</b>	<b>118.33</b>
Additions	92.39
Capitalised during the year	(162.05)
<b>As at March 31, 2023</b>	<b>48.67</b>
Additions	67.55
Capitalised during the year	(53.65)
<b>As at March 31, 2024</b>	<b>62.57</b>

### Capital work-in-progress ageing schedule

#### As at March 31, 2024

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress*	37.74	17.40	0.04	7.39	62.57
Projects temporarily suspended	-	-	-	-	-
	<b>37.74</b>	<b>17.40</b>	<b>0.04</b>	<b>7.39</b>	<b>62.57</b>

\* Projects in progress aged more than 3 years includes certain assets transferred to the Company, pursuant to the scheme of arrangement, as detailed in note 16(g), which 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, 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	-	-	-	-	-
	<b>34.99</b>	<b>6.29</b>	<b>2.81</b>	<b>4.58</b>	<b>48.67</b>

\*\*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), which 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		Total
		Technical Know-how fees	Capitalised Software	
<b>Gross carrying value</b>				
<b>As at April 01, 2022</b>	<b>31.80</b>	<b>33.36</b>	<b>4.06</b>	<b>37.42</b>
Additions	-	-	0.07	0.07
Disposals	-	-	(0.17)	(0.17)
<b>As at March 31, 2023</b>	<b>31.80</b>	<b>33.36</b>	<b>3.96</b>	<b>37.32</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at March 31, 2024</b>	<b>31.80</b>	<b>33.36</b>	<b>3.96</b>	<b>37.32</b>
<b>Accumulated amortisation/ impairment</b>				
<b>As at April 01, 2022</b>	-	<b>33.36</b>	<b>2.48</b>	<b>35.84</b>
Amortisation charge for the year	-	-	0.57	0.57
Disposals	-	-	(0.17)	(0.17)
<b>As at March 31, 2023</b>	-	<b>33.36</b>	<b>2.88</b>	<b>36.24</b>
Amortisation charge for the year	-	-	0.48	0.48
Disposals	-	-	-	-
<b>As at March 31, 2024</b>	-	<b>33.36</b>	<b>3.36</b>	<b>36.72</b>
<b>Net carrying value as at March 31, 2023</b>	<b>31.80</b>	-	<b>1.08</b>	<b>1.08</b>
<b>Net carrying value as at March 31, 2024</b>	<b>31.80</b>	-	<b>0.60</b>	<b>0.60</b>

## Goodwill impairment testing

The carrying amount of goodwill as at March 31, 2024 and March 31, 2023 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, 2024 and March 31, 2023 is mentioned below.

	March 31, 2024	March 31, 2023
Growth rate	5.00% - 6.00%	5.00% - 6.00%
Operating margins	4.00% - 7.00%	3.00% - 7.00%
Discount rate	10.00%	7.50%

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Loans to employees	3.15	3.49	3.72	2.19
	<b>3.15</b>	<b>3.49</b>	<b>3.72</b>	<b>2.19</b>

## 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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Security deposits	13.75	13.59	4.02	3.83
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	-	-	4.15	5.00
Deposits with customers which have significant increase in credit risk	-	-	2.64	2.22
Less: Impairment allowance on deposits with customers which have significant increase in credit risk	-	-	2.64	2.22
	-	-	-	-
Other receivables (refer note 39)	-	-	32.93	15.03
Other receivables which have significant increase in credit risk	-	-	1.31	1.61
Less: Impairment allowance on other receivables which have significant increase in credit risk	-	-	1.31	1.61
	-	-	-	-
Mark to market gain on forward contracts*	-	-	3.56	1.74
Mark to market gain on embedded derivatives*	-	-	5.99	8.87
	<b>13.75</b>	<b>13.59</b>	<b>50.65</b>	<b>34.47</b>

\* 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, 2024	March 31, 2023
Advance income-tax (net of provision for current tax)	33.08	33.80
	<b>33.08</b>	<b>33.80</b>

## 9 Income tax

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>The major components of income tax expense for the year:</b>		
<b>Statement of profit and loss:</b>		
Current tax	77.41	35.94
Adjustment of tax relating to earlier periods	0.72	(1.39)
Deferred tax charge/ (credit)	(20.21)	2.37
<b>Income tax expense reported in the statement of profit and loss</b>	<b>57.92</b>	<b>36.92</b>
<b>Other comprehensive income ('OCI')</b>		
Deferred tax related to items recognised in OCI during the year:	1.62	(0.59)
<b>Income tax (expense)/ credit to OCI</b>	<b>1.62</b>	<b>(0.59)</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
<b>Accounting profit before income tax</b>	<b>221.70</b>	<b>130.82</b>
At India's statutory tax rate of 25.17% for the year ended March 31, 2024 and March 31, 2023	55.80	32.93
Adjustments in respect of current income tax:		
Non-deductible expenses for tax purposes	1.40	1.84
Foreign tax credit ineligible	-	1.68
Adjustment of tax relating to earlier periods (including impact of deferred tax)	0.72	0.47
<b>Income tax expense at effective tax rate of 26.13% (March 31, 2023 : 28.22%)</b>	<b>57.92</b>	<b>36.92</b>
<b>Deferred tax assets/ (liabilities) relates to the following:</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Property, plant and equipment and Intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(55.09)	(58.08)
Right-of-use assets	(14.53)	(13.91)
Provision for doubtful debts and advances	56.83	56.86
Lease liabilities	16.03	14.93
Demerger related expenses	6.51	9.09
Expenditure debited to the statement of profit and loss but allowable for tax purpose in subsequent years	43.95	22.98
<b>Net deferred tax assets/ (liabilities)</b>	<b>53.70</b>	<b>31.87</b>
Deferred tax assets	123.32	103.86
Deferred tax liabilities	(69.62)	(71.99)
<b>Deferred tax assets/ (liabilities), net</b>	<b>53.70</b>	<b>31.87</b>
<b>Reconciliation of deferred tax assets/ (liabilities) (net)</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Opening balance as at the commencement of the year	31.87	34.83
Tax income/ (expense) during the year recognised in profit or loss	20.21	(2.37)
Tax income/ (expense) during the year recognised in OCI	1.62	(0.59)
<b>Tax income/ (expense) during the year recognised in retained earnings</b>	<b>21.83</b>	<b>(2.96)</b>
<b>Closing balance</b>	<b>53.70</b>	<b>31.87</b>

## 10 Other non-current assets

(Unsecured considered good, unless otherwise stated)

All amount in Indian Rupees in crores, except as stated otherwise

	March 31, 2024	March 31, 2023
Capital advances	17.42	1.90
	<b>17.42</b>	<b>1.90</b>

## 11 Inventories (valued at lower of cost and net realisable value)

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2024	March 31, 2023
Raw materials and components (includes goods in transit of ₹ 39.99 crores (March 31, 2023: ₹ 32.34 crores))	462.96	369.66
Work-in-progress	334.85	332.22
Finished goods	87.68	113.07
Stock-in-trade	0.39	0.54
Stores and spares	2.06	2.41
	<b>887.94</b>	<b>817.90</b>

In relation to inventories being carried at net realisable value ₹ 14.68 crore and (₹ 5.91) crore has been recorded as expense/(reversal) for the year ended March 31, 2024 and March 31, 2023 respectively.

## 12 Trade receivables

All amount in Indian Rupees in crores, except as stated otherwise				
	Non-current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Unsecured</b>				
Considered good	-	-	1,521.71	1,527.77
Trade receivables which have significant increase in credit risk	-	-	156.69	146.41
Trade receivables - credit impaired	54.85	65.98	-	-
	<b>54.85</b>	<b>65.98</b>	<b>1,678.40</b>	<b>1,674.18</b>
<b>Less: Impairment allowance (allowance for bad and doubtful debts)</b>				
Trade receivables which have significant increase in credit risk	-	-	156.69	146.41
Trade receivables - credit impaired	54.85	65.98	-	-
	<b>-</b>	<b>-</b>	<b>1,521.71</b>	<b>1,527.77</b>

- Trade receivables from related parties (refer note 39).
- 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.
- Trade receivables are non-interest bearing.
- Trade receivables is inclusive of the retention receivables.
- Refer note 33(C)(iv) for details pertaining to credit risk.
- Refer note 38(b) for details pertaining to contract balances.

### Trade receivables ageing Schedule

As at March 31, 2024

	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	78.78	1,039.80	303.86	60.57	24.82	5.71	-	1,513.54
Undisputed Trade Receivables – which have significant increase in credit risk	0.21	2.24	4.63	4.69	11.34	13.56	69.65	106.32
Undisputed Trade Receivables – credit impaired	-	3.38	-	1.64	6.37	26.33	7.79	45.51
Disputed Trade Receivables – considered good	-	3.60	1.25	2.92	0.40	-	-	8.17
Disputed Trade Receivables – which have significant increase in credit risk	-	-	0.05	0.14	0.09	0.14	49.95	50.37
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	9.34	9.34
	<b>78.99</b>	<b>1,049.02</b>	<b>309.79</b>	<b>69.96</b>	<b>43.02</b>	<b>45.74</b>	<b>136.73</b>	<b>1,733.25</b>
Less: Impairment allowance								211.54
<b>Total trade receivables</b>								<b>1,521.71</b>

## Trade receivables ageing Schedule

As at March 31, 2023

	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	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
	<b>96.00</b>	<b>1,122.50</b>	<b>253.56</b>	<b>42.24</b>	<b>84.95</b>	<b>34.79</b>	<b>106.12</b>	<b>1,740.16</b>
Less: Impairment allowance								212.39
<b>Total trade receivables</b>								<b>1,527.77</b>

## 13 Cash and cash equivalents

All amount in Indian Rupees in crores, except as stated otherwise

	March 31, 2024	March 31, 2023
Balances with banks		
- on current accounts	126.87	146.53
Cheques on hand/ remittance in transit	1.17	16.66
<b>Cash and cash equivalents in the balance sheet and statement of cash flows</b>	<b>128.04</b>	<b>163.19</b>

### Changes in liabilities arising from financing activities:

	Lease liabilities		Borrowings	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Balance as at the beginning of the year	59.31	65.00	275.00	125.00
Cash inflows/ (outflows)	(18.49)	(17.84)	(125.00)	150.00
Non-cash changes				
-Additions	19.16	8.51	-	-
-Accretion of interest	4.32	4.24	-	-
-Deletions	(0.62)	(0.60)	-	-
Balance as at the end of the year	<b>63.68</b>	<b>59.31</b>	<b>150.00</b>	<b>275.00</b>

## 14 Bank balances other than cash and cash equivalent

All amount in Indian Rupees in crores, except as stated otherwise

	March 31, 2024	March 31, 2023
Unpaid dividend account	0.16	0.10
	<b>0.16</b>	<b>0.10</b>

## 15 Other current assets

(Unsecured considered good, unless otherwise stated)

All amount in Indian Rupees in crores, except as stated otherwise

	March 31, 2024	March 31, 2023
Prepaid expenses	31.25	33.09
Contract assets (refer note 38(b) and note 39)	748.41	177.32
Contract assets which have significant increase in credit risk	10.00	9.27
Less: impairment allowance on contract assets which have significant increase in credit risk	10.00	9.27
	-	-
Advances other than capital advances (refer note 39)	95.98	54.42
Advances other than capital advances which have significant increase in credit risk	0.01	0.12
Less: impairment allowance on advances other than capital advances which have significant increase in credit risk	0.01	0.12
	-	-
Balance with government authorities	360.89	261.41
	<b>1,236.53</b>	<b>526.24</b>

## 16 Equity

### Share capital

All amount in Indian Rupees in crores, except as stated otherwise

	Equity shares	
	Number of shares	Amount
<b>a. Authorised share capital</b>		
At April 01, 2022	50,000,000	10.00
Changes during the year	-	-
<b>At March 31, 2023</b>	<b>50,000,000</b>	<b>10.00</b>
Changes during the year	-	-
<b>At March 31, 2024</b>	<b>50,000,000</b>	<b>10.00</b>
<b>b. Issued equity share capital</b>		
<b>Equity shares of ₹ 2 each issued, subscribed and fully paid up</b>	<b>Number of shares</b>	<b>Amount</b>
At April 01, 2022	42,381,675	8.48
Changes during the year	-	-
<b>At March 31, 2023</b>	<b>42,381,675</b>	<b>8.48</b>
Changes during the year	-	-
<b>At March 31, 2024</b>	<b>42,381,675</b>	<b>8.48</b>

### 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 ₹ 4/- per equity share, which translates to a total dividend of ₹ 16.95 crores, for the year ended March 31, 2024. 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**

Name of the shareholders	March 31, 2024		March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 2 each, fully paid up				
Hitachi Energy Ltd - the holding company	31,786,256	75.00%	31,786,256	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:

Name of the shareholders	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 2 each, fully paid up				
Hitachi Energy Ltd - the holding company	31,786,256	6.36	31,786,256	6.36
	31,786,256	6.36	31,786,256	6.36

**f. Shares held by promoters****As at March 31, 2024**

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	31,786,256	-	31,786,256	75.00%	-

**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	31,786,256	-	31,786,256	75.00%	-

**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, 2024	March 31, 2023
<b>a) Securities premium</b>		
Opening balance	9.80	9.80
Changes during the year	-	-
Closing balance	<b>9.80</b>	<b>9.80</b>
<b>b) Retained earnings</b>		
Opening balance	691.31	608.39
Changes during the year:		
Net profit for the year	163.78	93.90
Other comprehensive income (net of tax)	(4.81)	1.74
Less: Appropriations during the year: Equity dividend	(14.41)	(12.72)
Closing balance	<b>835.87</b>	<b>691.31</b>
<b>c) Amalgamation adjustment deficit account</b>		
Opening balance	(1.56)	(1.56)
Changes during the year	-	-
Closing balance	<b>(1.56)</b>	<b>(1.56)</b>
<b>d) Capital reserve</b>		
Opening balance	0.18	0.18
Changes during the year	-	-
Closing balance	<b>0.18</b>	<b>0.18</b>
<b>e) General reserve</b>		
Opening balance	507.10	507.10
Changes during the year	-	-
Closing balance	<b>507.10</b>	<b>507.10</b>
<b>Total other equity</b>	<b>1,351.39</b>	<b>1,206.83</b>

### 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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Security deposits received	0.71	0.89	-	-
Unpaid dividend <sup>#</sup>	-	-	0.16	0.10
Payable towards purchase of capital goods (refer note 39)	-	-	18.43	24.72
Employee related payables	3.57	1.31	75.26	52.40
Interest accrued but not due	-	-	0.03	0.05
Mark to market loss on forward contracts*	-	-	4.33	3.36
Mark to market loss on embedded derivatives*	-	-	4.90	6.38
Other payables (refer note 39)	-	-	26.95	36.07
	<b>4.28</b>	<b>2.20</b>	<b>130.06</b>	<b>123.08</b>

\* 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.

<sup>#</sup> There are no amounts which are required to be transferred to Investor Education & Protection Fund.

## 19 Borrowings

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2024	March 31, 2023
Bank loan (Unsecured)	150.00	275.00
	<b>150.00</b>	<b>275.00</b>

The rate of interest for short term loans from banks ranges from 7.57% to 7.59% (March 31, 2023 - 7.13% to 7.91%) per annum. 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, 2024	March 31, 2023
Total outstanding dues of micro enterprises and small enterprises <sup>1)</sup>	50.33	76.22
	<b>50.33</b>	<b>76.22</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	549.58	515.84
Other trade payables	1,209.81	922.56
	<b>1,759.39</b>	<b>1,438.40</b>
	<b>1,809.72</b>	<b>1,514.62</b>

1) Trade payables to related parties (refer note 39).

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, 2024 and as at March 31, 2023.

<b>(i)</b> The principal amount and the interest due thereon remaining unpaid to any supplier at each accounting year		
Principal amount	48.06	74.90
Interest	0.42	0.55
<b>(ii)</b> 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		
Principal amount	-	-
Interest	-	-
<b>(iii)</b> 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).	0.56	0.57
<b>(iv)</b> The amount of interest accrued and remaining unpaid for each accounting year	0.98	1.12
<b>(v)</b> The amount of further interest remaining due and payable for the earlier years	1.29	0.20
<b>(vi)</b> The amount (including interest) due as at each accounting year	<b>50.33</b>	<b>76.22</b>

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.

Foreign currency trade payables amounting to ₹ 32.42 crores (March 31, 2023: ₹ 60.61 crores) includes ₹ 11.86 crores (March 31, 2023: ₹ 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, 2024	Unbilled		Outstanding for following periods from due date of payment				Total
			Not due	Less than 1 year	1-2 years	2-3 years	
Total outstanding dues of micro enterprises and small enterprises	4.53	42.05	2.20	1.10	-	0.39	50.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	479.84	1,017.75	227.52	11.54	0.61	21.92	1,759.18
Disputed dues of micro enterprises and small enterprises	-	0.06	-	-	-	-	0.06
Disputed dues of creditors other than micro enterprises and small enterprises	-	0.07	-	-	-	0.14	0.21
	<b>484.37</b>	<b>1059.93</b>	<b>229.72</b>	<b>12.64</b>	<b>0.61</b>	<b>22.45</b>	<b>1,809.72</b>

As at March 31, 2023	Unbilled		Outstanding for following periods from due date of payment				Total
			Not due	Less than 1 year	1-2 years	2-3 years	
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
	<b>360.94</b>	<b>901.47</b>	<b>202.59</b>	<b>4.67</b>	<b>23.38</b>	<b>21.57</b>	<b>1,514.62</b>

## 21 Other current liabilities

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2024	March 31, 2023
Billing in excess of contract revenue (refer note 38(b))	42.58	41.80
Statutory dues payable*	16.97	23.26
Advance from customer (refer note 38(b) and note 39)	881.61	468.73
	<b>941.16</b>	<b>533.79</b>

\* 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, 2024	March 31, 2023
<b>Provisions for employee benefits</b>		
Gratuity (refer note 32)	19.72	8.34
Compensated absences	35.96	27.92
<b>Other provisions</b>		
Warranties	139.31	139.81
Loss orders	26.91	19.13
	<b>221.90</b>	<b>195.20</b>

## 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 year)

Class of provisions	As at April 01, 2023	Additions	Amounts used	Unused Amounts reversed	As at March 31, 2024
Warranties	139.81	34.62	20.51	14.61	139.31
	(129.05)	(35.95)	(11.47)	(13.72)	(139.81)
Loss orders	19.13	22.11	12.89	1.44	26.91
	(15.92)	(16.54)	(12.89)	(0.44)	(19.13)

## 23 Revenue from operations

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from contracts with customers</b>		
Sale of products	3,644.34	3,528.74
Revenue from execution of contracts for projects and services	1,319.36	711.51
Sale of services	132.34	94.25
	<b>5,096.04</b>	<b>4,334.50</b>
<b>Other operating revenues</b>		
Scrap sales	30.06	28.13
Commission income	4.67	16.38
Income from development services and other services	100.07	89.25
Others	6.65	0.25
	<b>141.45</b>	<b>134.01</b>
<b>Revenue from operations*</b>	<b>5,237.49</b>	<b>4,468.51</b>

\*Also refer note 37, 38 and 39

## 24 Other income

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
Liabilities/ provisions no longer required written back (refer note 39)	5.57	14.55
Exchange and commodity rate difference (net)	2.99	-
Interest income:		
Interest on security deposit and others	0.59	0.57
Others	0.14	0.02
	<b>9.29</b>	<b>15.14</b>

## 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, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	369.66	355.57
Add : Purchases during the year (refer note 39)	3,201.90	2,735.33
Less : Inventory at the end of the year	462.96	369.66
	<b>3,108.60</b>	<b>2,721.24</b>

## 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, 2024	For the year ended March 31, 2023
<b>Opening stock</b>		
- Finished goods	113.07	59.26
- Work-in-progress	332.22	288.34
- Stock-in-trade	0.54	2.34
	<b>445.83</b>	<b>349.94</b>
<b>Closing stock</b>		
- Finished goods	87.68	113.07
- Work-in-progress	334.85	332.22
- Stock-in-trade	0.39	0.54
	<b>422.92</b>	<b>445.83</b>
	<b>22.91</b>	<b>(95.89)</b>

## 27 Employee benefits expense

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	434.88	365.90
Gratuity expense (refer note 32)	6.99	6.42
Contribution to provident fund	14.56	12.85
Contribution to superannuation fund	6.90	6.76
Contribution to other funds*	4.25	4.22
Staff welfare expenses	20.11	19.04
Training, recruitment and transfer expenses	2.46	2.10
	<b>490.15</b>	<b>417.29</b>

\* 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, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 3)	73.53	63.50
Amortisation of intangible assets (refer note 5)	0.48	0.57
Depreciation of right-of-use assets (refer note 3)	16.00	16.09
	<b>90.01</b>	<b>80.16</b>

## 29 Finance costs

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses	39.21	34.27
Interest on income tax	1.56	0.78
Bill discounting and other charges	1.46	0.80
Interest on lease liabilities (refer note 36(b))	4.32	4.24
	<b>46.55</b>	<b>40.09</b>

## 30 Other expenses\*

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	36.83	34.07
Royalty and technology fees	190.71	147.35
Freight and forwarding	99.60	163.80
Commission (other than sole selling agent)	10.31	3.35
Power and fuel	70.70	65.40
Travelling and conveyance	60.13	50.34
Insurance	23.85	20.43
Rates and taxes (net)	3.77	6.54
Rent (refer note 36(b))	4.13	3.68
Repairs and maintenance		
Buildings	1.71	2.13
Plant and machinery	30.99	29.09
Others	6.45	6.73
Provision for doubtful debts and advances/ bad debts/ advances written off	7.45	14.49
Loss on sale of property, plant and equipment (net)	0.38	0.47
Bank charges	10.06	14.05
Legal and professional fees**	69.96	56.79
Corporate social responsibility expenditure (refer note 40)	3.68	4.25
Information technology expenses	128.31	94.55
Exchange and commodity rate difference (net)	-	27.09
Director's fees and commission	1.40	1.45
Services from third parties	70.62	53.43
Testing and inspection charges	36.97	29.43
Group management fees	65.00	61.89
Miscellaneous	62.84	62.95
	<b>995.85</b>	<b>953.75</b>

\*Also refer note 39.

\*\* 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, 2024	For the year ended March 31, 2023
Statutory audit fee	0.68	0.52
Tax audit fee	0.18	0.28
Limited review fee	0.42	0.39
Group audit fee	0.16	0.15
Other certification fee	0.15	0.15
Reimbursement of expenses	0.02	0.03
	<b>1.61</b>	<b>1.52</b>

## 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, 2024	For the year ended March 31, 2023
<b>Earnings</b>		
Profit attributable to equity shareholders	163.78	93.90
<b>Shares</b>		
Weighted average number of Equity shares outstanding during the year - basic	42,381,675	42,381,675
Dilutive effect on shares	-	-
Weighted average number of Equity shares outstanding during the year - diluted	42,381,675	42,381,675
<b>Earnings per share of par value ₹ 2/- each - Basic and diluted (in ₹)</b>	<b>38.64</b>	<b>22.16</b>

## 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 are held by Hitachi Energy India Limited 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		
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Gratuity</b>		
The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:		
Gratuity provision	19.72	8.34
<b>Total</b>	<b>19.72</b>	<b>8.34</b>

### 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
<b>As at April 01, 2022</b>	<b>84.52</b>	<b>79.28</b>	<b>5.24</b>
Service cost	6.10	-	6.10
Net interest expense	5.56	5.24	0.32
<b>Total amount recognised in statement of profit and loss (Note 27)</b>	<b>11.66</b>	<b>5.24</b>	<b>6.42</b>
<b>Remeasurement (gains)/ losses in other comprehensive income:</b>			
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
<b>Total amount recognised in other comprehensive income</b>	<b>(2.19)</b>	<b>0.14</b>	<b>(2.33)</b>

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	(5.37)	(4.38)	(0.99)
<b>As at March 31, 2023</b>	<b>88.62</b>	<b>80.28</b>	<b>8.34</b>
Service cost	6.46	-	6.46
Net interest expense	6.06	5.53	0.53
<b>Total amount recognised in statement of profit and loss (Note 27)</b>	<b>12.52</b>	<b>5.53</b>	<b>6.99</b>
<b>Remeasurement (gains)/ losses in other comprehensive income:</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	0.34	(0.34)
Actuarial changes arising from changes in financial assumptions	1.41	-	1.41
Actuarial changes arising from changes in experience adjustments	5.36	-	5.36
<b>Total amount recognised in other comprehensive income</b>	<b>6.77</b>	<b>0.34</b>	<b>6.43</b>
Contributions by employer	-	-	-
Benefits paid	(8.87)	(6.83)	(2.04)
<b>As at March 31, 2024</b>	<b>99.04</b>	<b>79.32</b>	<b>19.72</b>

## ii) Amount recognized in balance sheet

All amount in Indian Rupees in crores, except as stated otherwise

	March 31, 2024	March 31, 2023
Present value of funded obligations	99.04	88.62
Fair value of plan assets	79.32	80.28
<b>Net funded obligation</b>	<b>(19.72)</b>	<b>(8.34)</b>
<b>Net defined benefit liability recognised in balance sheet</b>	<b>(19.72)</b>	<b>(8.34)</b>

## 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, 2024	For the year ended March 31, 2023
Current service cost	6.46	6.10
Net interest expense	0.53	0.32
	<b>6.99</b>	<b>6.42</b>

## iv) Remeasurements recognised in other comprehensive income

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (gain)/ loss on defined benefit obligation	6.77	(2.19)
Return on plan assets excluding interest income	(0.34)	(0.14)
	<b>6.43</b>	<b>(2.33)</b>

## v) The major categories of plan assets of the fair value of the total plan assets are as follows:

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Investments</b>		
Scheme of insurance - Conventional products	<b>100.00%</b>	<b>100.00%</b>

vi) **The principal assumptions used in determining gratuity obligations are shown below:**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.00%	7.20%
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 are expected payments from the defined benefit plan in future years:**

	All amount in Indian Rupees in crores, except as stated otherwise	
	March 31, 2024	March 31, 2023
Within the next 12 months (next annual reporting period)	8.45	8.34
Between 1 and 5 years	39.05	40.51
Beyond 5 years	140.08	59.94
<b>Total expected payments</b>	<b>187.58</b>	<b>108.79</b>

viii) **The following are expected contributions to the defined benefit plan in future years:**

	All amount in Indian Rupees in crores, except as stated otherwise	
	March 31, 2024	March 31, 2023
Within the next 12 months (next annual reporting period)	19.72	8.34

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (March 31, 2023: 8 years)

ix) **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, 2024		As at March 31, 2023	
Assumptions	Discount rate	Future salary increases	Discount rate	Future salary increases
Sensitivity analysis				
1% increase	(6.69)	7.53	(6.11)	6.89
1% decrease	7.66	(6.71)	6.99	(6.14)

**Impact on defined benefit obligation**

The sensitivity analysis 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 analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis 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 material 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, 2024	As at March 31, 2023
<b>Financial assets at amortised cost :</b>		
Loans (refer note 6)	6.87	5.68
Other financial assets (refer note 7)	54.85	37.45
Trade receivables (refer note 12)	1,521.71	1,527.77
Cash and cash equivalents (refer note 13)	128.04	163.19
Bank balances other than cash and cash equivalent (refer note 14)	0.16	0.10
<b>Financial assets at fair value through profit and loss :</b>		
Derivative instruments (refer note 7)	9.55	10.61
<b>Total financial assets</b>	<b>1,721.18</b>	<b>1,744.80</b>
<b>Financial liabilities at amortised cost:</b>		
Borrowings (refer note 19)	150.00	275.00
Trade payables (refer note 20)	1,809.72	1,514.62
Lease liabilities (refer note 36(b))	63.68	59.31
Other financial liabilities (refer note 18)	125.11	115.54
<b>Financial liabilities at fair value through profit and loss :</b>		
Derivative instruments (refer note 18)	9.23	9.74
<b>Total financial liabilities</b>	<b>2,157.74</b>	<b>1,974.21</b>

### 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
<b>Financial assets at fair value through profit and loss :</b>				
<b>Derivative instruments (refer note 7) - As at March 31, 2024</b>	<b>9.55</b>	<b>-</b>	<b>9.55</b>	<b>-</b>
Derivative instruments (refer note 7) - As at March 31, 2023	10.61	-	10.61	-
<b>Financial liabilities at fair value through profit and loss :</b>				
<b>Derivative instruments (refer note 18) - As at March 31, 2024</b>	<b>9.23</b>	<b>-</b>	<b>9.23</b>	<b>-</b>
Derivative instruments (refer note 18) - As at March 31, 2023	9.74	-	9.74	-

There have been no transfers between Level 1, Level 2 and Level 3 for the year ended March 31, 2024 and March 31, 2023.

## 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, 2024	Copper	-	-
As at March 31, 2024	Aluminum	-	-
As at March 31, 2023	Copper	5	17 MT
As at March 31, 2023	Aluminum	4	25 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 (INR).

### 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
<b>Receivables</b>						
<b>As at March 31, 2024</b>						
Foreign Currency (In Crores)	2.53	1.71	0.07	0.31	12.39	9.42
Indian rupees (In Crores)	211.32	13.33	5.88	28.36	12.39	13.44
Impact on profit and loss:						
1% increase	2.11	0.13	0.06	0.28	0.12	0.13
1% decrease	(2.11)	(0.13)	(0.06)	(0.28)	(0.12)	(0.13)
<b>As at March 31, 2023</b>						
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)
Particulars	USD	CHF	SEK	EUR	CNY	Others
<b>Payables</b>						
<b>As at March 31, 2024</b>						
Foreign Currency (In Crores)	2.74	1.52	16.08	0.70	2.86	19.47
Indian rupees (In Crores)	228.94	140.33	125.19	63.08	32.94	10.23
Impact on profit and loss:						
1% increase	2.29	1.40	1.25	0.63	0.33	0.10
1% decrease	(2.29)	(1.40)	(1.25)	(0.63)	(0.33)	(0.10)
<b>As at March 31, 2023</b>						
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)
Particulars	BDT	BTN	LKR	NPR		
<b>Cash and cash equivalents</b>						
<b>As at March 31, 2024</b>						
Foreign Currency (In Crores)	2.90	29.49	5.43	0.53		
Indian rupees (In Crores)	2.17	29.49	1.49	0.32		
Impact on profit and loss:						
1% increase	0.02	0.29	0.01	0.00		
1% decrease	(0.02)	(0.29)	(0.01)	(0.00)		
<b>As at March 31, 2023</b>						
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)		

(b) Forward contracts outstanding:

All amount in Indian Rupees in crores, except as stated otherwise						
Currency	March 31, 2024			March 31, 2023		
	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)
<b>Exports</b>						
GBP	1	0.02	2.26	1	0.02	2.18
CHF	6	0.36	34.22	4	0.11	9.88
EUR	12	0.87	80.99	13	0.38	34.33
USD	118	5.21	437.30	100	4.64	384.07
CAD	1	0.11	6.58	-	-	-
			<b>561.35</b>			<b>430.46</b>
<b>Imports</b>						
CHF	8	0.77	74.54	13	0.72	66.30
EUR	7	0.38	34.85	1	0.03	3.06
SEK	31	5.86	47.59	22	3.37	27.53
USD	28	1.50	125.76	7	0.68	56.60
CNY	1	0.14	1.57	2	0.34	4.17
			<b>284.31</b>			<b>157.66</b>

(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 are as follows:

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2024	March 31, 2023
JP Morgan Chase Bank N.A. (Rate of Interest - 7.57% (March 31, 2023: 7.13%))	100.00	100.00
JP Morgan Chase Bank N.A. (Rate of Interest - 7.59% (March 31, 2023: 7.19%))	50.00	75.00
Bank of America (Rate of Interest - NA (March 31, 2023: 7.61%))	-	75.00
Deutsche Bank N.A. (Rate of Interest - NA (March 31, 2023: 7.91%))	-	25.00
	150.00	275.00

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 contract 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**

<b>All amount in Indian Rupees in crores, except as stated otherwise</b>		
<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Balance at the beginning of the year</b>	212.39	212.55
Add: Additional ECL/ specific provision	13.06	25.09
Less: Utilisation/ reversal of ECL/ specific provision	13.91	25.25
<b>Balance at the end of the year</b>	<b>211.54</b>	<b>212.39</b>

Further in addition to the above, loss allowance on contract assets amounts to ₹ 10.00 crores (March 31, 2023: ₹ 9.27 crores).

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 contract 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
	<b>As at March 31, 2024</b>			
<b>Non-derivatives</b>				
Borrowings	-	150.00	-	150.00
Other financial liabilities	-	120.83	4.28	125.11
Lease liabilities	-	15.83	70.45	86.28
Trade payables	-	1,809.72	-	1,809.72
<b>Total non-derivative liabilities</b>	<b>-</b>	<b>2,096.38</b>	<b>74.73</b>	<b>2,171.11</b>
<b>Derivatives (net settled) (refer note 18)</b>				
Embedded derivatives	-	4.90	-	4.90
Foreign currency forward contracts	-	4.33	-	4.33
<b>Total derivative liabilities</b>	<b>-</b>	<b>9.23</b>	<b>-</b>	<b>9.23</b>
<b>As at March 31, 2023</b>				
<b>Non-derivatives</b>				
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
<b>Total non-derivative liabilities</b>	<b>-</b>	<b>1,919.41</b>	<b>68.71</b>	<b>1,988.12</b>
<b>Derivatives (net settled) (refer note 18)</b>				
Embedded derivatives	-	6.38	-	6.38
Foreign currency forward contracts	-	3.36	-	3.36
<b>Total derivative liabilities</b>	<b>-</b>	<b>9.74</b>	<b>-</b>	<b>9.74</b>

### 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, 2024	March 31, 2023
Borrowings	150.00	275.00
Trade payables	1,809.72	1,514.62
Lease liabilities	63.68	59.31
Other financial liabilities	134.34	125.28
Less: Cash and cash equivalents	128.04	163.19
<b>Net Debt</b>	<b>2,029.70</b>	<b>1,811.02</b>
<b>Total equity</b>	<b>1,359.87</b>	<b>1,215.31</b>
<b>Capital and net debt</b>	<b>3,389.57</b>	<b>3,026.33</b>
<b>Gearing ratio</b>	<b>60%</b>	<b>60%</b>

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, 2024.

## 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, 2024	March 31, 2023
Other matters	0.35	47.44
	0.35	47.44

The Company does not have any contingent assets at the balance sheet date.

- The Company is contesting certain tax and other 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.
- In respect of the above contingent liabilities, the future cash outflows are determinable only on receipt of judgement pending at various forums/ authorities.
- 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.
- 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.
- The Company has outstanding guarantee / bonds amounting to ₹ 322.70 crores in connection with import of duty-free capital and other goods made by the Company. The Company was granted Export Promotion Capital Goods (EPCG) licenses / Advance Authorizations ("Licenses") secured by ABB India Limited prior to the effective date of demerger of Power Grids business pursuant to order of National Company Law Tribunal (NCLT) vide its order dated November 27, 2019 towards such duty-free imports with a commitment against future export obligations. As at March 31, 2024, the Company is in the process of meeting the export obligations amounting to ₹ 9.12 crores for certain Licenses. Further, for certain Licenses where duty saved amounts to ₹ 158.01 crores the Company is awaiting Export Obligation Discharge Certificate (EODC) and has also received deficiency letters/show case notices/orders as applicable. The Company is in the process of submitting necessary documents and make necessary submissions to appropriate authorities, as applicable. The management, based on an internal assessment and external advise is of the view that EODC will be received after making suitable representations and submission of necessary documents. Therefore, the Company does not foresee any material financial exposure on the Company. Accordingly, no adjustment has been made to the financial statements in this regard.

Further, post demerger, the Company has been granted Export Promotion Capital Goods (EPCG) licenses / Advance Authorizations ("Licenses") towards duty-free imports with a commitment against future export obligations. As at March 31, 2024, the Company has outstanding guarantee / bonds amounting to ₹ 59.52 crores in connection with such import of duty-free capital and other goods made by the Company and the Company is in the process of meeting the export obligations amounting to ₹ 167.83 crores for certain Licenses. Further, for certain Licenses where duty saved amounts to ₹ 0.37 crores the Company is awaiting Export Obligation Discharge Certificate (EODC).

## 36 Commitments

### (a) Capital commitments

All amount in Indian Rupees in crores, except as stated otherwise

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on account of capital commitments and not provided for (net of advances)	55.56	26.71

## (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, 2023: 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, 2024.

Below are the carrying amounts of lease liabilities and the movements during the year:

All amount in Indian Rupees in crores, except as stated otherwise		
Particulars	March 31, 2024	March 31, 2023
Opening lease liabilities	59.31	65.00
Additions	19.16	8.51
Accretion of interest	4.32	4.24
Payments	(18.49)	(17.84)
Deletions	(0.62)	(0.60)
<b>Closing lease liabilities</b>	<b>63.68</b>	<b>59.31</b>

All amount in Indian Rupees in crores, except as stated otherwise		
Particulars	March 31, 2024	March 31, 2023
Current	11.61	12.69
Non-current	52.07	46.62

The following are the amounts recognised in profit or loss for the year ended:

All amount in Indian Rupees in crores, except as stated otherwise		
Particulars	March 31, 2024	March 31, 2023
Depreciation charge of right-of-use assets	16.00	16.09
Interest expense on lease liabilities	4.32	4.24
Expense relating to short-term leases and leases of low-value assets (included in other expenses)	4.13	3.68
	<b>24.45</b>	<b>24.01</b>

The Company had total cash outflows for leases of ₹ 22.62 crores for the year ended March 31, 2024 (₹ 21.52 crores for the year ended March 31, 2023).

The maturity analysis of lease liabilities are disclosed in Note 33(C)(v).

The effective interest rate for lease liabilities is 6% to 9% per annum.

## 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, 2024	For the year ended March 31, 2023
Sale of products	3,644.34	3,528.74
Revenue from execution of contracts for projects and services	1,319.36	711.51
Sale of services	132.34	94.25
Other operating revenues	141.45	134.01
<b>Revenue from operations</b>	<b>5,237.49</b>	<b>4,468.51</b>

**(ii) Geographical information**

All amount in Indian Rupees in crores, except as stated otherwise

Revenue from customers	For the year ended March 31, 2024	For the year ended March 31, 2023
India	3,954.54	3,279.89
Other countries (refer note 37 (iii))	1,282.95	1,188.62
	<b>5,237.49</b>	<b>4,468.51</b>
<b>Non-current assets**</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
India	774.94	763.77
Other countries	-	0.13
	<b>774.94</b>	<b>763.90</b>

\*\* Non current assets does not include deferred tax assets, financial assets and non-current tax assets.

(iii) Adani Electricity Mumbai Infra Limited accounted for more than 10% of Company's total revenue from operations for the year ended March 31, 2024 and no customer individually accounted for more than 10% of the revenues for the year ended March 31, 2023.

Hitachi Energy USA Inc and Hitachi Energy Sweden AB accounted for more than 10% of Company's total export revenue from operations for the year ended March 31, 2024 and March 31, 2023.

**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, 2024	For the year ended March 31, 2023
India	3,954.54	3,279.89
Other countries (refer note 37 (iii))	1,282.95	1,188.62
	<b>5,237.49</b>	<b>4,468.51</b>

All amount in Indian Rupees in crores, except as stated otherwise

Revenue by offerings/ timing	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Point in time</b>		
Sale of products	3,644.34	3,528.74
Other operating revenue (Scrap sales and others)	36.71	28.13
<b>Period over time</b>		
Revenue from execution of contracts for projects and services	1,319.36	711.51
Sale of services	132.34	94.25
Other operating revenue (Other than scrap sales and others)	104.74	105.88
	<b>5,237.49</b>	<b>4,468.51</b>

## b) Contract balances

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2024	March 31, 2023
Trade receivables (refer note 12)	1,521.71	1,527.77
Advance from customer (refer note 21)	881.61	468.73
Billing in excess of contract revenue (refer note 21)	42.58	41.80
Contract assets (refer note 15)	748.41	177.32
	<b>3,194.31</b>	<b>2,215.62</b>

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, ₹ 140.72 crores (March 31, 2023 ₹ 95.55 crores) from opening balance of contract assets has been reclassified to trade receivables upon billing to customers on completion of milestones.

During the year, the Company has recognised revenue of ₹ 39.60 crores arising from opening billing in excess of contract revenue as of April 01, 2023 (April 01, 2022 is ₹ 77.31 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, 2024 is ₹ 7,229.53 crores (March 31, 2023 is ₹ 7,070.91 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, 2024 from performance obligations satisfied (or partially satisfied) in previous periods on account of significant changes in transaction price.

## 39 Related party disclosures

### Party where control exists:

Hitachi Limited, Tokyo, Japan (Ultimate Holding Company)

Hitachi Energy Ltd, Zürich, Switzerland (Holding Company)

### Entities under common control

#### Name of the Fellow subsidiaries:

Hitachi Energy Chongqing Transformer Co., Ltd., Chongqing, China  
(Formerly known as ABB Chongqing Transformer Company Ltd., Chongqing, China)

Hitachi Energy Engineering Technologies Safat, Kuwait  
(Formerly known as ABB Engg. Technologies Co. (KSCC), Safat, Kuwait)

Hitachi Energy Hefei Transformer Co.,Ltd., Anhui, China  
(Formerly known as ABB Hefei Transformer Co. Ltd., Hefei, China)

Hitachi Energy High Voltage Switchgear (Xiamen) Company Limited, China

(Formerly known as ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China)

Hitachi Energy High Voltage Switchgear Co., Ltd., Beijing, Beijing, China

(Formerly known as ABB High Voltage Switchgear Co., Ltd., Beijing, Beijing, China)

Hitachi Energy Jiangsu High Voltage Apparatus Co.,Ltd., Jiangsu, China

(Formerly known as ABB Jiangsu Jingke Instrument Transformer Co., Ltd., Suqian, Jiangsu, China)

Hitachi Energy Shanghai Power System Engineering Co., Ltd., Shanghai, China

(Formerly known as ABB Shanghai Power System Engineering Co., Ltd., Shanghai, China)

Hitachi Energy Shanghai Electrical Transformer Co., Ltd, Shanghai, China

(Formerly known as ABB Shanghai Transformer Co., Ltd., Shanghai, China)

Hitachi Energy Xiamen Surge Arrestor Co.,Ltd China  
(ABB Xiamen Surge Arrestor Co., Ltd., Xiamen, China)

Hitachi Energy Xi'an Power Capacitor Co.,Ltd., Shanxi, China  
(Formerly known as ABB Xi'an Power Capacitor Company Limited, Xi'an, China)

Hitachi Energy Philippines, Inc., NCR, Philippines  
(Formerly known as ABB Power Grids Philippines, Inc., Paranaque City, Philippines)

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,

Metamorphosis 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., 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) (merged with Hitachi Energy Ltd, Zürich, Switzerland w.e.f October 01, 2023)

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, Istanbul,  
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 Energy Slovakia, s. r. o., Bratislava, Slovakia  
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. Hitachi Sakti Energy Indonesia, Jakarta, Indonesia  
(Formerly known as PT. ABB Power Grids Indonesia)  
Pucaro Elektro-Isolierstoffe GmbH, Roigheim, Germany  
Hitachi Asia Ltd, Singapore  
Trasfor SA, Monteggio, Switzerland, Monteggio, Switzerland  
Arteche Hitachi Energy Gas Instrument Transformers S. L.,  
Vitoria, Spain  
Hitachi Energy S.A., Panama, Panama  
ABB (China) Ltd., Beijing, China\*  
ABB (Private) Ltd., Harare, Zimbabwe\*  
ABB (Hong Kong) Ltd., Hong Kong, Hong Kong Special  
Administrative Region of China\*  
ABB AB, Västerås, Sweden\*

ABB AG, Mannheim, Germany\*  
ABB AS, Fornebu, Norway\*  
ABB Asea Brown Boveri Ltd, Zurich, Switzerland\*  
ABB Australia Pty Limited, Moorebank, NSW, Australia\*  
ABB Beijing Switchgear Limited, BeiJing, China\*  
ABB Bulgaria EOOD, Sofia, Bulgaria\*  
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 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 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 Limited, Dhaka, Bangladesh\*  
ABB Limited/Jordan LLC., Amman, Jordan\*  
ABB Ltd., Kampala, Uganda\*  
ABB Ltd., Lusaka, Zambia\*  
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 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 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, Inc., Paranaque, Metro Manila, Philippines\*  
Asea Brown Boveri S.A., Madrid, Spain\*  
PT ABB Sakti Industri, Jakarta, Indonesia\*

#### **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

Ismo Antero Haka

##### **(c) Non-Executive cum Independent Directors**

Akila Krishnakumar

Mukesh Hari Butani

Meena Ganesh (appointed w.e.f. May 24, 2023)

Nishi Vasudeva (resigned w.e.f. May 24, 2023)

##### **(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, 2024	For the year ended March 31, 2023
<b>i) Revenue from operations</b>		
Ultimate Holding Company		
- Hitachi Limited, Tokyo, Japan	28.51	5.61
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	71.77	20.53
Fellow Subsidiaries		
- Hitachi Energy USA Inc., Raleigh, NC, United States (Formerly known as ABB Enterprise Software Inc.)	270.50	243.00
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	218.39	128.28
- Other fellow subsidiaries	615.50	635.26
Fellow Associates		
- Linxon India Private Limited	32.11	24.13
	<b>1,236.78</b>	<b>1,056.81</b>
<b>ii) Other income</b>		
Fellow Subsidiaries		
- Hitachi Energy South Africa (Pty) Ltd, Johannesburg, South Africa (Formerly known as ABB Power Grids South Africa (Pty) Ltd)	0.33	-
- ABB India Limited; Bangalore, India* <sup>1</sup>	0.14	0.07
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	-	0.11
- ABB S.p.A., Milan, Italy*	-	0.05
- ABB Limited, Dhaka, Bangladesh*	-	0.04
- Other fellow subsidiaries	-	0.06
	<b>0.47</b>	<b>0.33</b>
<b>iii) Purchases of raw materials, components, project items, stock-in-trade and sub-contracting expenses</b>		
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	84.18	-
Fellow Subsidiaries		
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	252.75	87.58
- Hitachi Energy Vietnam Company Limited, Hanoi, Vietnam (Formerly known as ABB Ltd.)	109.08	86.28
- Hitachi Energy Brasil Ltda, Guarulhos, Brazil (Formerly known as ABB Ltda.)	95.22	-
- ABB India Limited; Bangalore, India* <sup>1</sup>	11.00	59.54
- Other fellow subsidiaries	179.76	131.16
	<b>731.99</b>	<b>364.56</b>
<b>iv) Expenditure on royalty and technology fees</b>		
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	99.65	-
Fellow Subsidiaries		
- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	90.50	146.22
- Other fellow subsidiaries	0.56	1.13
	<b>190.71</b>	<b>147.35</b>

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>v) Expenditure on information technology, engineering, management, legal and professional fees and other services</b>		
Ultimate Holding Company		
- Hitachi Limited, Tokyo, Japan	0.03	-
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	63.59	47.73
Fellow Subsidiaries		
- Hitachi Energy Holdings Ltd, Zurich, Switzerland (Formerly known as ABB PG Power Grids Ltd)	74.72	39.26
- Hitachi Energy Technology Services Private Limited, Bangalore, India (Formerly known as ABB Power Technology Services Private Limited)	56.98	43.14
- ABB Information Systems Ltd., Zurich, Switzerland*	5.43	16.31
- ABB India Limited Bangalore, India <sup>1</sup>	3.10	16.03
- Other fellow subsidiaries	35.85	36.41
	<b>239.70</b>	<b>198.88</b>
<b>vi) Expenses recovered from group companies</b>		
Ultimate Holding Company		
- Hitachi Limited, Tokyo, Japan	-	0.02
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	10.77	0.97
Fellow Subsidiaries		
- Hitachi Energy Holdings Ltd, Zurich, Switzerland (Formerly known as ABB PG Power Grids Ltd)	6.98	0.02
- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	5.90	14.93
- ABB India Limited Bangalore, India <sup>1</sup>	3.03	0.86
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	2.16	6.20
- Other fellow subsidiaries	4.93	1.97
Fellow Associates		
- Linxon India Private Limited	-	2.21
	<b>33.77</b>	<b>27.18</b>
<b>vii) Other capital expenditure</b>		
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	0.05	-
Fellow Subsidiaries		
- Hitachi Energy South Africa (Pty) Ltd, Johannesburg, South Africa	4.91	-
- Hitachi Energy High Voltage Switchgear (Xiamen) Company Limited, China (Formerly know as ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China)	-	5.67
- Hitachi Energy Germany AG, Mannheim, Germany (Formerly known as ABB Power Grids Germany AG)	-	1.90
- Other fellow subsidiaries	0.22	1.54
	<b>5.18</b>	<b>9.11</b>

All amount in Indian Rupees in crores, except as stated otherwise

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>viii) Reimbursement of capital expenditure</b>		
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland (refer note 3(iii))	-	28.50
<b>ix) Dividend paid</b>		
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	10.81	9.54
<b>x) Remuneration to key managerial personnel</b>		
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		
<b>Particulars</b>		
Short term employee benefits	10.74	7.61
Post employment benefits#	0.45	0.40
Directors' Sitting fees	0.24	0.29
Commission to Directors	1.16	1.16
<b>Total</b>	<b>12.59</b>	<b>9.46</b>

# 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) The back-to-back guarantee issued to Linxon India Private Limited outstanding as at March 31, 2024 is ₹ Nil (March 31, 2023 ₹ 3.80 crores)

### 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, 2024	As at March 31, 2023
<b>i) Trade receivables</b>		
Ultimate Holding Company		
- Hitachi Limited, Tokyo, Japan	0.29	0.01
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	45.24	8.03
Fellow Subsidiaries		
-Hitachi Energy USA Inc., Raleigh, NC, United States (Formerly known as ABB Enterprise Software Inc.)	47.73	55.50
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	30.88	19.60
-PT. Hitachi Sakti Energy Indonesia, Jakarta, Indonesia (Formerly known as PT. ABB Power Grids Indonesia)	28.35	15.38
- ABB India Limited, Bangalore, India*1	-	66.20
- Other fellow subsidiaries	165.92	227.16
Fellow Associates		
- Linxon India Private Limited	22.17	13.68
	<b>340.58</b>	<b>405.56</b>

All amount in Indian Rupees in crores, except as stated otherwise

	As at March 31, 2024	As at March 31, 2023
<b>ii) Other financial assets</b>		
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	0.05	-
Fellow Subsidiaries		
- Hitachi Energy Holdings Ltd, Zurich, Switzerland (Formerly known as ABB PG Power Grids Ltd)	16.63	-
- ABB India Limited Bangalore, India* <sup>1</sup>	-	4.79
- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)*	-	6.54
- Other fellow subsidiaries	1.34	0.73
	<b>18.02</b>	<b>12.06</b>
<b>iii) Other current assets</b>		
Fellow Subsidiaries		
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	41.12	0.57
- Hitachi Energy Greece Single Member Societe Anonyme, Metamorphosis Attica, Greece (Formerly known as ABB Power Grids Greece Single Member SA)	26.68	-
- Hitachi Energy Brasil Ltda, Guarulhos, Brazil (Formerly known as ABB Ltda.)	12.84	-
- ABB India Limited, Bangalore, India* <sup>1</sup>	-	5.95
- Other fellow subsidiaries	0.90	1.25
	<b>81.54</b>	<b>7.77</b>
<b>iv) Trade payables</b>		
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	148.24	0.12
Fellow Subsidiaries		
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	142.01	51.36
- Hitachi Energy Brasil Ltda, Guarulhos, Brazil (Formerly known as ABB Ltda.)	95.26	0.17
- ABB India Limited, Bangalore, India* <sup>1</sup>	-	95.46
- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	-	47.33
- Hitachi Energy Technology Services Private Limited, Bangalore, India (Formerly known as ABB Power Technology Services Private Limited)	41.73	26.95
- Hitachi Energy Holdings Ltd, Zurich, Switzerland (Formerly known as ABB PG Power Grids Ltd)	9.39	30.38
- Other fellow subsidiaries	77.68	70.46
Fellow Associates		
- Linxon India Private Limited	0.10	1.08
	<b>514.41</b>	<b>323.31</b>

All amount in Indian Rupees in crores, except as stated otherwise

	As at March 31, 2024	As at March 31, 2023
<b>v) Other financial liabilities</b>		
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	0.58	-
Fellow Subsidiaries		
-Hitachi Energy Italy S.p.A., Milano, Italy (Formerly known as ABB Power Grids Italy S.p.A.)	0.13	-
-Hitachi Energy High Voltage Switchgear (Xiamen) Company Limited, China (Formerly know as ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, china)	0.13	0.13
- ABB India Limited, Bangalore, India* <sup>1</sup>	-	33.49
- Other fellow subsidiaries	0.06	0.36
	<b>0.90</b>	<b>33.98</b>
<b>vi) Other current liabilities</b>		
Holding Company		
- Hitachi Energy Ltd, Zürich, Switzerland	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)	14.44	24.93
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	50.40	-
- Other fellow subsidiaries	16.82	12.77
Fellow Associates		
- Linxon India Private Limited	0.24	0.02
	<b>91.69</b>	<b>47.51</b>

<sup>1</sup> 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.

\* During the year, ABB Asea Brown Boveri Ltd, ABB Switzerland Ltd, and ABB Ltd have been reclassified from 'Promoter/Promoter Group' to 'Public Category' in the shareholding of the Company with effect from October 6, 2023 basis the necessary approvals from the National Stock Exchange of India Limited and BSE Limited (collectively referred to as the "Stock Exchanges") vide their respective letters dated October 6, 2023. Accordingly, ABB Asea Brown Boveri Ltd, ABB Switzerland Ltd, ABB Ltd and their group companies ceased to be related party w.e.f October 6, 2023.

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.

## 40 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

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year	3.68		4.25
b) Amount approved by the Board to be spent during the year	3.68		4.25
c) Amount spent during the year ended on March 31, 2024:			
	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction/acquisition of any assets	-	-	-
ii) On purposes other than (i) above	1.51	2.17	3.68
d) Amount spent during the year ended on March 31, 2023:			
	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction/acquisition of any assets	-	-	-
ii) On purposes other than (i) above	1.63	2.62	4.25
e) Details related to spent/ unspent obligations:	<b>March 31, 2024</b>		<b>March 31, 2023</b>
i) Contribution to Public Trust	-		-
ii) Contribution to Charitable Trust	1.51		1.63
iii) Amount yet to be paid in cash in relation to:			
- Ongoing project	2.17		2.62
- Other than ongoing project	-		-
	<b>3.68</b>		<b>4.25</b>

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
2.17	0.45	3.68	1.51	0.46	2.17	2.16

g) Nature of CSR activities:

- i. Promote gender equality and empowering of women in engineering workforce
- ii. Endorse Education, employability & healthcare
- iii. Social impact projects
- iv. Support national disaster management and other government initiatives
- v. Aid in sustainable development goals

## 41 Ratios

All amount in Indian Rupees in crores, except as stated otherwise

Ratio	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	% change
Current ratio	Current Assets	Current Liabilities	1.16	1.16	0.00%
Debt- Equity Ratio <sup>1</sup>	Short term borrowings	Shareholder's Equity	0.11	0.23	-51.25%
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Finance costs	Debt service = Interest & Lease payments + Long term principal repayments	5.31	4.37	21.52%
Return on Equity ratio <sup>2</sup>	Net Profit after taxes	Average Shareholder's Equity	0.13	0.08	59.01%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	3.99	3.75	6.31%
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	3.44	3.04	13.07%
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.70	2.51	7.50%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	9.76	10.74	-9.13%
Net Profit ratio <sup>3</sup>	Net Profit	Net sales = Total sales - sales return	0.03	0.02	50.00%
Return on Capital Employed <sup>2</sup>	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.18	0.12	54.83%
Return on Investment	Interest (Finance Income)	Investment	N.A	N.A	N.A

Note:

1. Debt equity ratio variance as compared to previous year is on account of reduction in total debt during the year.
2. Return on equity ratio and Return on capital employed variance as compared to previous year is mainly due to increase in profits due to increase in revenues.
3. Net profit ratio variance as compared to previous year is on account of improvement in operational profit margin.

**42** 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, 2024, 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.

## 43 Additional regulatory information/disclosures to the extent applicable to the Company

- 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.

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**44** The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to the accounting software. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

## 45 Subsequent events

The Board of directors have recommended dividend of ₹ 4/- per equity share, which translates to a total dividend of ₹ 16.95 crores, for the year ended March 31, 2024. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**46** 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

For and on behalf of the Board of Directors of

**Hitachi Energy 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)

Place: Bengaluru

Date: May 21, 2024

Bengaluru

May 21, 2024

**Hitachi Energy India Limited**

CIN: L31904KA2019PLC121597

Registered and Corporate Office: 8<sup>th</sup> Floor, Brigade Opus, 70/401,  
Kodigehalli Main Road, Bengaluru – 560 092,

Phone: 080 68473700 Website: [www.hitachienergy.com/in](http://www.hitachienergy.com/in)

**ATTENDANCE SLIP**

**Name and address of the Member(s)** : \_\_\_\_\_

**Registered Folio No./DP ID & Client ID** : \_\_\_\_\_

**No. of Shares** : \_\_\_\_\_

I/We record my/our presence at the 5<sup>th</sup> Annual General Meeting of the Company being held at Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bengaluru – 560 055 on Wednesday, August 21, 2024 at 11:00 a.m. (IST)

**Full name of the Proxy, if attending the Meeting:**

**Signature of the Member/ Joint Member/ Proxy attending the Meeting:**

**Note:**

Persons attending the Meeting are requested to bring this Attendance Slip with them.



f

**Hitachi Energy India Limited**

CIN: L31904KA2019PLC121597

Registered and Corporate Office: 8<sup>th</sup> Floor, Brigade Opus, 70/401,  
Kodigehalli Main Road, Bengaluru – 560 092,

Phone: 080 68473700 Website: [www.hitachienergy.com/in](http://www.hitachienergy.com/in)

**Form No. MGT – 11**

**Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and  
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]  
5<sup>th</sup> Annual General Meeting 2023–24

**Name of the Member(s)** : \_\_\_\_\_

**Registered Address** : \_\_\_\_\_  
\_\_\_\_\_

**E-mail ID** : \_\_\_\_\_

**Folio No./DP ID and Client ID** : \_\_\_\_\_

I/We being the Member(s) holding \_\_\_\_\_ shares of above-named Company, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

f

As my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 5<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, August 21, 2024 at 11:00 a.m. (IST), at Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1 Dr. Rajkumar Road, Malleswaram-Rajajinagar, Bengaluru – 560 055 and at any adjournment thereof in respect of such resolutions as are indicated below:

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**Item Summary of Businesses to be transacted at the 5<sup>th</sup> Annual General Meeting No.**

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**Ordinary Businesses**

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1. Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2024

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  2. Declaration of Dividend

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  3. Reappointment of Mr. Achim Michael Braun (DIN: 08596097), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment
- 

**Special Businesses**

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4. Approval of remuneration payable to the Cost Auditors of the Company for the financial year 2024-25

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  5. Approval of Material Related Party Transactions with Hitachi Energy Sweden AB for the financial year 2024-25

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  6. Approval of Material Related Party Transactions with Hitachi Energy Australia Pty Ltd for the financial year 2024-25

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  7. Approval of Material Related Party Transactions with Hitachi Energy Ltd., Switzerland for the financial year 2024-25
- 

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Signature of Member(s): \_\_\_\_\_

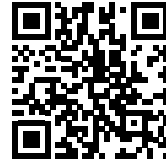


Signature of Proxy holder(s): \_\_\_\_\_

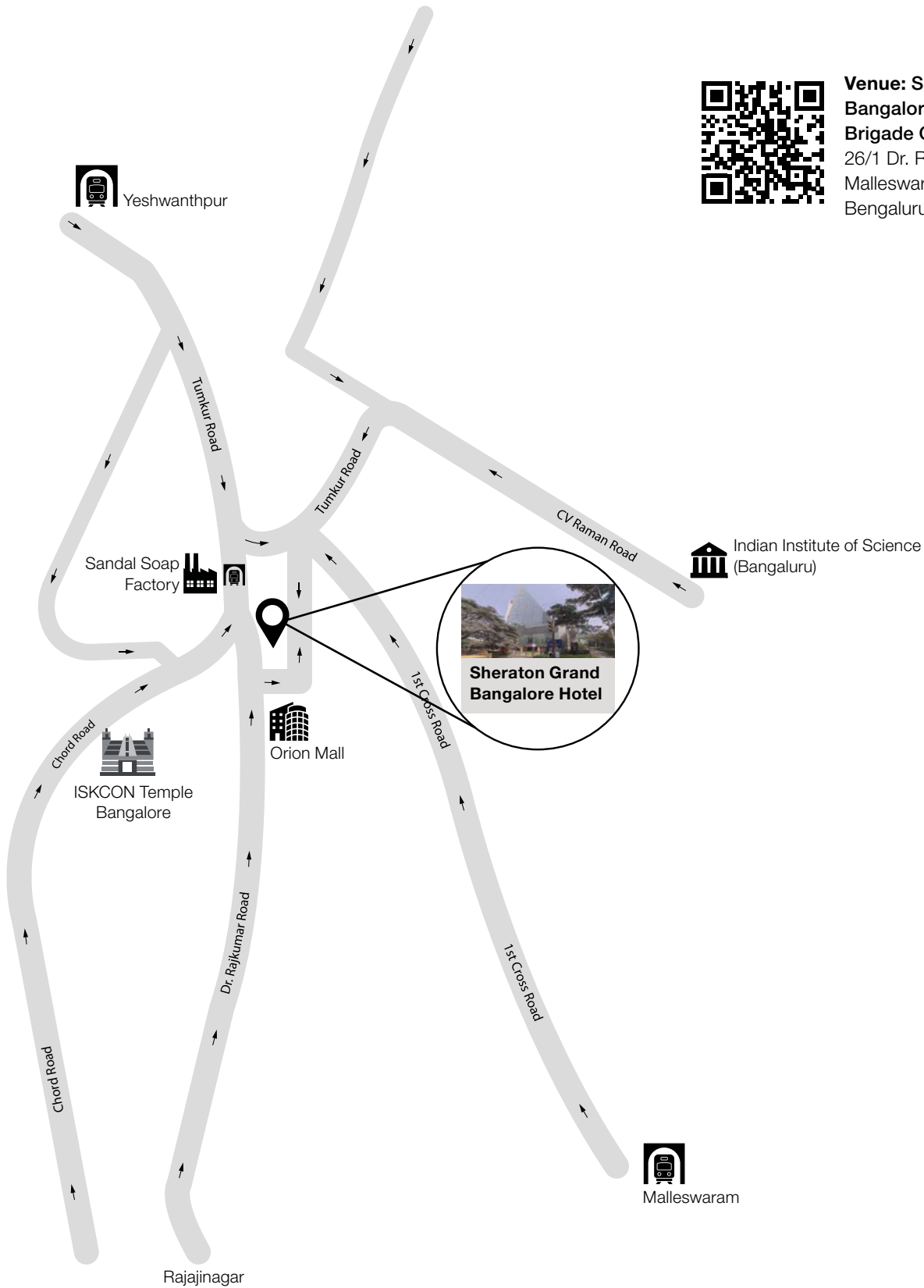
**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 5<sup>th</sup> Annual General Meeting.
3. Please complete all details including your membership details in above box before submission. Blank/Incomplete Proxies shall be considered as invalid.
4. A person can act as a Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such persons shall not act as a proxy for any other person or member.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a Member of the company.

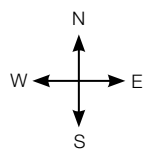
# Route Map to the Venue of the AGM



**Venue: Sheraton Grand Bangalore Hotel at Brigade Gateway,**  
26/1 Dr. Rajkumar Road,  
Malleswaram-Rajajinagar,  
Bangaluru – 560 055



MAP NOT TO SCALE









Hitachi Energy India Limited is committed to sustainability, and Integrated Annual Report 2023-24 reflects that commitment. The report has been printed on recycled paper, which is made from paper that has already been used and then recycled into a usable material. By opting for recycled paper Hitachi Energy India Limited contributes to reducing environmental impact and promotes responsible practices.

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#### **Registered office address**

##### **Hitachi Energy India Limited**

8<sup>th</sup> Floor, Brigade Opus, 70/401,  
Kodigehalli Main Road, Bengaluru – 560 092  
CIN: L31904KA2019PLC121597  
Phone: 080 68473700