

amount on CSR activities and could not spend the statutorily required amount due to COVID-19 pandemic and balance unspent amount will be spent in current year FY 21. However, the unspent amount has been transferred to a dedicated bank account. Detailed report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in Annexure – D, forming part of this Report. The CSR Committee was reconstituted by the Board of Directors at their meeting held on February 26, 2021.

20. Annual evaluation of Board, its Committees and Individual Directors:

The Board of Directors has carried out an annual evaluation of its performance, its Committees and Directors for FY 2020 in FY 2021 pursuant to the requirements of the Act and the Listing Regulations.

Further, the Independent Directors, at their exclusive meeting held in FY 2021, reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

21. Audit Committee:

The details pertaining to composition of the Audit Committee and terms of reference are included in the Corporate Governance Report, which forms part of this Report. The Board has accepted all recommendation of Audit Committee, made during the financial year under review.

22. Related Party Transactions:

The Board of Directors have adopted a policy on Related Party Transactions at its meeting held on December 24, 2019. The objective is to ensure proper approval, disclosure and reporting of transactions as applicable, between your Company and any of its related parties.

Transactions with related parties, as per requirements of Indian Accounting Standard have been disclosed in the accompanying financial statements. Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on your Company's website. Link for the same is: <https://www.hitachiabb-powergrids.com/in/en/investor-relations/corporate-governance-policies>

ABB Asea Brown Boveri Ltd was holding 10 percent or more shares in your Company as on December 31, 2020. The details of transactions with promoter/promoter group holding 10 percent or more shares have been disclosed in the accompanying financial statements.

Related Party Transaction under the provisions of Section 188 of the Act, requiring disclosures to be made in Form No. AOC-2 pursuant to Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached as Annexure – E to this Report.

All contracts or arrangements were entered into only with prior approval of the Audit Committee, except transactions which qualified as omnibus transactions as permitted under law.

23. Reporting of frauds:

There was no instance of fraud during the financial year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed thereunder.

24. Transfer to Investor Education and Protection Fund:

As your Company was incorporated on February 19, 2019, and that no dividend was recommended/declared during the financial year ended December 31, 2019 and as on financial year ended December 31, 2020 there is no unclaimed dividend during the financial year under review, no dividend amount was transferred as required under Section 124 of the Act, to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

Pursuant to the Scheme of Arrangement (entered into between your Company, ABB India Limited and their respective Shareholders and Creditors) approved by NCLT vide its order dated November 27, 2019, your Company on December 24, 2019, allotted equity shares to the shareholders of ABB India Limited. Out of 42,381,675 Equity shares allotted, 107,421 Equity Shares were directly allotted to the IEPF account as a consequence of issue of Equity Shares by your Company to the shareholders of ABB India Limited in accordance with the Share Entitlement Ratio.

As explained above, as no dividend was declared since incorporation of your Company nor your Company was required to transfer any dividend amount to IEPF, other details like amount of unclaimed/unpaid dividend and the corresponding shares were not applicable for the financial year under review. Also, redemption amount of preference shares, amount of matured deposits, for companies other than banking companies, along with interest accrued thereon, amount of matured debentures along with interest accrued thereon, application money received for allotment of any securities and due for refund along with interest accrued, sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation resultant benefits on shares transferred to the IEPF, year wise amount of unpaid/unclaimed dividend lying in the unpaid account upto the year and the corresponding shares, which are liable to be transferred to the IEPF, and the due dates for such transfer, the amount of donation, if any, given by the Company to the IEPF, such other amounts transferred to the IEPF, if any, during the financial year under review are not applicable.

9,266 Equity Shares arising out of fractional shares were sold on July 27, 2020 and out of that 73.20 equity shares