

the Act that they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Act and also under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). All Independent Directors of your Company have also given declarations to your Company under Rule 6 of Companies (Appointment and Qualification of Directors) Rules 2014. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of management. The Independent Directors have affirmed compliance with the Code of Conduct, as on December 31, 2020. The Independent Directors also affirmed compliance under Sec 150 with regard to Independent Directors databank, enrollment and examination in FY 2021. During the financial year a separate meeting of the Independent Directors was held on December 14, 2020.

## **12. Management Discussion and Analysis Report (MDAR):**

The Management Discussion and Analysis Report (MDAR) is annexed as Annexure A to this report.

## **13. Nomination and Remuneration Policy of the Company:**

The Board of Directors have re-constituted the Nomination and Remuneration Committee ("NRC") at their meeting held on February 26, 2021. The Remuneration Policy of your Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company along with other related matters have been provided in the Corporate Governance Report. The nomination and remuneration policy is available on the website of the Company: <https://www.hitachiabb-powergrids.com/in/en/investor-relations/board-of-directors>.

As and when need arises to appoint Director, the Nomination and Remuneration Committee (NRC) of the Company will determine the criteria based on the specific requirements. NRC, while recommending candidature to the Board, takes into consideration the qualification, attributes, experience and independence of the candidate. Director(s) appointment and remuneration will be as per NRC Policy of the Company.

A Statement of Disclosure of Remuneration pursuant to Section 197 of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in Annexure – B, forming part of this report.

## **14. Dividend distribution policy:**

As required under Regulation 43A of the Listing Regulations, your Company has a policy on dividend distribution. This policy can be accessed on your Company's website at <https://www.hitachiabb-powergrids.com/in/en/investor-relations/corporate-governance-policies>

## **15. Particulars of loans, guarantees or investments under Section 186 of the Act:**

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

## **16. Amount, if any, proposed to be transferred to Reserves:**

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

## **17. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

The particulars as prescribed under Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure – C, forming part of this report.

## **18. Risk Management:**

Your Company has constituted a Risk Management committee on December 24, 2019 and adopted a Risk Management Policy as required under Companies Act 2013 and Listing Regulations. The Risk Management committee was re-constituted by the Board of Directors at their meeting held on February 26, 2021. The Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management. The details and the process of Risk Management are provided as part of Management's Discussion and Analysis which forms part of this Report.

## **19. Corporate Social Responsibility initiatives:**

The Board of Directors had constituted a Corporate Social Responsibility (CSR) Committee as required under the Act for implementing various CSR activities and adopted revised CSR Policy at its meeting held on April 30, 2020 and then in the meeting held on November 10, 2020. Composition of the Committee and other details are provided in Corporate Governance Report which forms part of this Report. Promote gender equality and empowering of women in engineering workforce, endorse education, employability & healthcare, social impact projects, support national disaster management and other government initiatives and aid in sustainable development goals are the focal area under the CSR Policy. Your Company has implemented various CSR projects directly and / or through implementing partners and the projects undertaken by your Company are in accordance with Schedule VII of the Act. During the financial year under review, your Company had partially spent the required