

September 1, 2020

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

Dear Sirs

Subject: Transcript of Analysts/Investors call held on Thursday, August 13, 2020 as per Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref : BSE Scrip: 543187 (POWERINDIA) NSE Symbol: POWERINDIA

Please note that as per our intimation letter dated August 10, 2020, and in furtherance to letter dated August 12, 2020 wherein we had shared the copy of Investors presentation and Press release, a conference call was organized with Analysts/Investors on Thursday, August 13, 2020 at 9:30 am.

We now enclosing the transcript of the said call which is also being uploaded on the Company's website at: <https://www.hitachiabb-powergrids.com/in/en/about-us/investor-relations/financial-results--reports-and-presentations>

You are requested to take the same on your record.

Thanking you.

Yours faithfully,
For ABB Power Products and Systems India Limited

Poovanna Ammatanda
General Counsel and Company Secretary

Encl: As above



“Hitachi ABB Power Grids Q2 2020 Analyst Conference
Call”

August 13, 2020



**MANAGEMENT: MR. N. VENU – MANAGING DIRECTOR, INDIA
MR. AJAY SINGH – CHIEF FINANCIAL OFFICER
MR. POOVANNA AMMATANDA – GENERAL COUNSEL,
COMPANY SECRETARY & COMPLIANCE OFFICER**

Moderator: Ladies and gentlemen, good day and welcome to Q2 Analyst Conference Call of Hitachi ABB Power Grids which is listed on the stock exchange as ABB Power Products and Systems India Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing '*' and then '0' on your touch tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. N. Venu – Managing Director, India and eEad South Asia Region at Hitachi ABB Power Grid. Thank you. And over to you, sir.

N. Venu: Thank you. Very Good afternoon, ladies and gentlemen. Thank you very much for joining us today on this call for investors and analyst community following the announcement of Second Quarter Results of ABB Power Products and Systems India Limited. I hope you and your families are staying safe and keeping well. Our Q2 slide deck has been uploaded on stock exchange. For those of you joining through phone lines. I will refer the slide name so that you are able to follow through easily. But some of you are joining through your computers, I am also sharing the slides and you can follow these.

We all know, the second quarter that is April to June has been a very challenging quarter for businesses across the board. The pandemic escalated and lockdowns extended, there have been quarantines and there has been travel restrictions and a lot of challenges in terms of running our operations, delay in the project executions took the toll on orders as well as the revenue.

At this time of crisis and keeping our employees and customers safe has been our top priority just as much as maintaining business continuity.

Along the way, we also scored some of order wins which I will detail during my presentation. So you can refer the slide #2, Building Resilience Despite Headwinds, and I am in the slide #2, in this difficult time, our mantra has been to stay resilient in the face of adversity, the number of COVID positive cases rising until date, as you know, as of April, there were about 30,000-cases in India and you know what is the count. And our prime focus was to collaborate and manage the crisis for our employees, customers, partners and the community as a whole and build our spirit and strength.

For that we adopted a "Three-Pronged Strategy." The first one is "Protect Our People." When we are talking about our people, we are talking about entire our employees, our customers and so on and so forth.

"Preserve Business Continuity and Prepare for this New Norm." This approach aided us in staying beyond in such an environment. And here are the highlights I will walk you through the details in the next slide.

We are talking about the slide #3, "Protecting Our People." As I mentioned earlier, in this difficult time, the health and safety of our employees, customers and partners has been our most important consideration. We adhere to the requirements of central, state and local authorities with all earnest.

In accordance with the March 25 national lockdown requirement, operations across our plants, project site and offices were closed. This included our manufacturing locations in Maneja, Savli, Halol, Vadodara and Mysore and Bangalore, Karnataka and over 30 project sites, not only in India but also neighboring countries such as Nepal, Bangladesh and Sri Lanka, were also shut.

We resumed operations as permitted by various government authorities in a staggered manner across our various factories, the transformer high voltage and the grid automation. And we reopened manufacturing facilities and offices at 30% to 50% capacity initially and slowly we ramped up observing all national and local prescribed standard operating procedures.

In addition to the network of our location-specific crisis teams, an exclusive helpline for our employees was started to discuss and support them and their families emotional welfare.

At project site, processes were put in place to ensure secure and safe lodging facilities for migrant workforce.

Medical reviews and checks are organized for the workforce in large project sites, such as Raigarh and Pugalur.

We capped the number of employees working at a particular time at all plants and offices, made arrangements for sanitized transportation to factories and demarcated work and common areas to ensure strict adherence to social distancing or physical distancing.

Employees were provided protective gears like masks, face shields, gloves, sanitizers, mandated to take all safety precautions and maintain absolute transparency in health.

All employees were encouraged to download the Aarogya Setu app launched by the Government of India. We follow this even as on date.

In addition to all this, most employees voluntarily donated one day salary to PM CARES Fund and the donation was matched by the company to mark our solidarity in this case.

I am now moving to the slide #4, Preserving Business Continuity -- Continued Customer Service." We amplified customer engagement through technology, leverage digital solutions for derisking factory acceptance test, product service and training and even commissioning of certain projects to maintain business continuing. We not only commissioned remotely the projects within our country but also outside of the country. Due to the pandemic and lockdowns, many of our customers were concerned about how they would test our equipment before delivery

and meet project lines. Traditionally, they would visit our factories and oversee the product testing at our facilities before accepting it for delivery. And that is what we call is a factory acceptance test. With travel restricted and many safety concerns this was challenging to do. But that physical proximity became deliberating barriers, we offered customers the option of conducting business remotely, so remote factory acceptance test, and we have done close to more than a dozen of these things, cutting across the customers whether they are from utilities and industries.

We made investments toward this technology to ensure business continuity, leveraging the power of digitalization. Even in times of crisis our customers were assured of on-time delivery, equipment reliability and quality.

We carried against, as I said, close to a dozen remote factory acceptance test for leading industry players in diverse sectors.

The high voltage business line provided a major state-owned power transmission company a virtual tour of our high voltage technologies.

Our transformer business line enabled India's largest steel exporter to remotely inspect our three phase transformer for an upcoming project.

Our grid automation business like conducted remote test to speed up equity for leading utilities service provider for its project in Gujarat and Maharashtra and readied substation automation systems for an upcoming metro lane among others, just a few examples of this.

Our unflinching dedication won a big ticket project that you can see on your screen, almost close to Rs.120 crores project of a transformer, contracts of disconnectors, capacitors acts and others.

I am now on the slide #5, "Preserving Business Continuity Operational Efficiencies." We continue to strengthen our position to the best of our abilities in the current climate and look for and implement cost control measures to conserve cash, relentlessly make efforts to recover lost production dates. To conserve operational efficiency, while following due safety guidelines, we have launched shifts and rotations to enable maximum capacity utilization of the plants. And we also quickly implemented six-day work week across organization to compensate the loss of productivity or loss of the production due to the lockdown and focused on collections and the liquidity.

Preserving our cash is a paramount important. We have proactively identified and postponed non-essential spend, ensure sufficient funds for critical operations and optimize or reduce external resources and personal expenses.

All through, our ambition was to prepare for the new norm in the best possible manner and build back better.

I am in the slide #6, “Preparing for the New Norm, Enhancing Relationship.” Our achievements were backed by our resilience and just for innovation. To adapt to the new norm, we revised how we engage with our customers, to help them stay on track, with the project timelines and to maintain business continuity.

We switch to remote factory acceptance test, as mentioned in the previous slide. Conducted numerous virtual technical webinars and touched close to more than 4,000 customers or participants across utilities, industries, transport and infrastructure segments, not only from this country, but also our neighboring countries.

And we launched our flagship customer event, “Energy and Digital World.” We continued engagement with industry leaders. As you can see some of the pictures, the virtual industry events and specific one-on-one CEO connects, that helped us keep a finger on the pulse across verticals. We did our best and more to simply adapt to the new norm.

Moving on to the “Business Performance” and start with the “Macro Economic Snapshot.” You all know this better than me. But to reiterate, as per the IMF, Indian economy are expected to contract 4.5% in financial year 2021. As a result of the pandemic, industrial production more than halved in April and India’s investment position was downgraded. We all know these things. The number of COVID positive cases in contrast continue to rise until date.

To soften the blow of the pandemic on the economy, India’s central bank cut interest rates to 4% while the government announced close to INR20 trillion stimulus package. Yet the three months April-June was very difficult for the businesses. The closure of factories and project sites of ours and our customers has reflected in our Q2 business performance. Our factories in Gujarat and also in Karnataka lost more than a month in working days and which has impacted our quarter. In other words, our factories and project sites have been shut for up to half the quarter. And even though we have opened gradually but it is also impacted by the supply chain disruption.

So I am in the slide #9 and the “Q2 Order Composition.” Nonetheless, we had some significant order wins, largest being the transformer orders from CLW of Indian Railways followed by that MV product of our discoms for our grid automation solutions for Calcutta Metro, and many others across our businesses. Majority of our orders came from the transport and infrastructure sectors, followed by utilities and products accounted for bulk of these. Yet, about close to Rs.250 crores orders where we were L1 and many of our customers still working on a paper file movements or depend on the physical purchase committee board meeting as they could not complete and those process could not complete and we could not get those orders of that.

So I am on the slide #10, Q2 orders, service and export, as we were talking about service and export of levers for the growth for our company. Our service portfolio continue to deliver, has received cyber security assessment orders and we see going forward these are the critical orders.

Lifecycle service orders in automation and high voltage breaker and service, and several digital upgrade and retrofitting and remote servicing contracts from a traditional and the new customers.

Exports continue to fill in even amidst tough market conditions and trade uncertainties. We booked orders from our subcontinent, Southeast Asia, Africa, especially for the high voltage equipment and the transformers.

I am on the slide #11, "Financial Performance." Despite the pandemic and restricted business activity, you know for the quarter, all of our customers were also shut, but we could secure orders close to 60% of our Q1 which is Rs.567 crores. Please note that the all these orders without an exception, the order closure happened by meeting our customers virtually with the various tools.

Yet many deals including for our substation and capacities were impacted from delayed decision due to the outbreak of the lockdown. And we have estimated a revenue impact due to this lockdown is close to Rs.410 crores vis-à-vis Q1 and that reduced our turnover to Rs.634.3 crores and which has also hurt our cash flow.

I am on slide #12, "Financial Performance Analysis." Due to the nationwide lockdown, as I told, I am just reiterating, our shop floors, project sites and offices were shut for more than 30-days. And in addition to that the transport disruption, travel ban, quarantine, social distancing, and we also have a very strict guidelines for taking care of our employees also took their toll.

The disarray in supply chain was that while projects were impacted by the mass exodus of migrant workers and collections also dipped and while we continue to pay to our suppliers.

Alongside on this short cycle, demand plummeted and system installation and service activities faced extensive mobility restrictions. We could not travel, we could not mobilize our service engineers due to the travel restrictions, and that has also resulted in the service revenues coming down. Despite all these, our revenue was close to 78% of the previous quarter. And quick implementation of intensive cost migration effects provided support to the bottom line, so did our operational resilience and effective use of both the digital technologies as well as cyber secure remote technologies, have helped us to reach at this level.

The reopening of our factories from a last week of April in a staggered way, minimize the further impact on KPIs. We kept trying to mitigate the impact of the crisis work toward better liquidity and cash position as well as identified service growth opportunities.

Our profit before tax before exceptional items in the second quarter was Rs.14.9 crores and profit after tax was Rs.10.9 crores, both hampered by the revenue shortfall.

As of June 30, 2020, our order backlog is Rs.5,133.9 crores which will provide a revenue visibility once normalcy returns.

I am on the slide #13, where COVID-19 challenges and our response in our opportunities. The hurt of the COVID-19 pandemic is being felt across sectors. And we expect a negative impact to cascade even to the current quarter with CAPEX and OPEX remaining muted, decisions delayed and power consumption staying weak.

But we also see that the long-term growth opportunities are intact. As normalcy return, we see government push for infrastructure development under Make in India, lending support for industry growth, we see ourselves growing in some strategically selected high growth segments, namely, renewable, clean energy corridor transmission, rail and electrification, metro, data center, grid digitalization and smart sector integration, e-mobility just to give some examples in that.

I am on the slide #14, "Preparing to Build and Better. We have already began making inroads with two of our recent initiatives in Education and eMobility. In the second quarter, we signed a Memorandum of Understanding with the National Institute of Technology, Warangal for a cooperation to drive smart electric grid technology, education, skill development and research activities, as the alliance made further headway into the eMobility segment.

As you know, NIT Warangal is the first institute in the country to start Master of Technology Course in the Smart Electric Grid. And we were quick to get involved and we are part of this whole designing the curriculum, and also setting up the whole world-class digital laboratory at NIT, Warangal which will make both the upcoming students as well as the faculty to learn the power systems of the future.

And we have recently launched the new Grid eMotion Fleet Chargers. eMobility segment, with the global launch of 3D eMotion Fleet Charging Solution. This offering holds the potential to fast track India's mission to decarbonize this transport sector, the public sector seemingly taking the lead. You all know that we have close to 2 million buses in the country. And even as a part of that goes for this mass electrification and for those kind of verification, we need both grid to plug kind of charging systems and that is where we come handy in that.

I am on the slide #15, Hitachi and Power Grid, Powering Good for Sustainable Energy. You all know we commenced operations as Hitachi ABB Power Grids in the second quarter. And the deal got closed on 1st of July this year and a great feat for us, for which all of us worked very hard, braving difficulties galore. The joint venture brought together two highly respected companies to create a global power leader, leveraging portfolio of complementary and front-end synergies in the grid, electrical vehicles, charging, renewables and we will power a good and sustainable future with our pioneering and digital technologies as a partner of choice for enabling a stronger, smarter and greener grid.

Our business serves utility, industry, infrastructure customers across the value chain. We cover emerging areas like sustainable mobility, smart cities, energy storage, data center with an

extensive portfolio of smart solutions, ranging from renewable, integration, and energy storage. So enterprise asset management and eBus charging to energy service and finally IT, IoT and the product. This is enabled by our strong footprint, scale, largest installed base and local capabilities, comprising of a solid pool of engineers, researchers, scientists, field engineers and software developers alongside other functional talents.

So now I move to the last slide, the slide number #16, "Our Vision 2025." As we talked in the last two quarters, our vision remains the same. We are aligned with the United Nations Sustainable Development Goal as well as Government of India Smart City and 'One Nation' 'One Grid Frequency Mission' as well as power for our Make in India initiative. And an even strong gusto is to increase access to affordable, reliable, sustainable and modern energy for all.

Together with customers and partners, we are co-creating innovative solution across the value chain, leveraging capabilities in the digital and energy platforms and focusing on intelligent grids. Our goal is to enable customers to increase resilience and efficiency and unlock new business models now and certainly when normal period restores.

We have a proven track record in transmission and distribution which means a core focus area for us where we are #1 globally as well as enhance digital capabilities accorded to us now by Hitachi Lumada platform.

Our vision for the next five years is to expand our digital products and systems as we significantly build on our consultancy services, software, best-in-class quality, delivery, and operations.

Once the products and systems will continue to play an important role in our portfolio, we will try to grow faster than the market, strengthen our leading market position while honoring UN Sustainable Development Goals, especially Goal #7 for Affordable and Clean Energy.

Ladies and gentlemen, I would now like to end my speech here and request the operator to open for the questions.

Moderator: Thank you very much, Sir. Ladies and Gentlemen, we will now begin the question-and-answer session. The first question is from the line of Jonas Butta from Phillip Capital. Please go ahead.

Jonas Butta: I have three quick questions, two of which are more near to medium-term and one is slightly more structural. The first one being sir, we witnessed in the quarter that our gross margins which is effectively the material margins have expanded by almost 800 basis points. If you can sort of elaborate on whether this is a function of lower raw material prices or the sales mix, was it a very product heavy-quarter in terms of sales which is why our material margin sort of spiked, and how much of this is sustainable, so the 44%-odd gross margin, is this the sort of band with which you are going to work with going forward?

- N. Venu:** Ajay, can you just talk on that? Ajay is the CFO.
- Ajay Singh:** A very good question. So basically 44% is, I will say not sustainable in the long run. So, this is majorly coming on account of the mix that we have operated in this particular quarter. We have operated from good margin orders, that has helped in this particular quarter. So these are the two factors that has contributed to this particular margin.
- N. Venu:** Just to add to Ajay, as you would have seen our order mix even in this quarter, predominantly, our focus is to go towards more products, services, digital and those kind of things in that. So, our system operations, yes, we continue to provide our projects and continue to provide our system offerings to our customers, but our strategy going forward is more towards offering our products and systems and services for the digital portfolio and that would get us into a high growth corridor going forward. So that is our intention going forward.
- Jonas Bhutta:** The second question was, again, if you were to draw out prospect list for new orders over the next 12 to 18-months, how would you split that between utilities, transport infra and industrial? While we witness the transport infra contributed a bulk of your order inflows in Q1, but if you can elaborate on the utilities side particularly as the green energy corridor trading, that has been slightly deferred, but the positive part out of that is it has been deferred because to sort of amend contract to make Chinese participation with this contract. So does this have a positive impact on prospects and then this mix of utility order would increase much more than what you had earlier estimated if you were to draw a timeline, that would be helpful?
- N. Venu:** Thanks for asking this question. If you really look at our midterm to maybe another 12 to 18-months, so we right now at this point in time at least the pipeline we are seeing the momentum in the rail and there has been a sustained momentum in opportunities attributed to the segment, that is rail segment, and due to various government initiatives, like rail electrification and associated increase in demand for electrical locomotives, and we have been also actively participating not only by supplying our products, and also by our grid automation and wherever possible, we will also supply our systems over there in that. With the government's focus on completely electrifying the remaining 27,000 or 30,000 plus Kms by 2023, and we will continue to see these opportunities coming back. And in addition to that, what we also seeing is regional rails at least; we look forward to the opportunities in the regional transport ventures like Delhi-Meerut. And when it comes to the utilities, yes, green corridor opportunities is quite big. And yes, it has been deferred, but I am sure it is a matter of time that they will come back because so much of penetration of renewables is going in and there is definitely a need for strengthening of the grids across the things both on the evacuation side as well as strengthening of the grids to take the penetration of the renewable on such a magnitude. In addition to that, what we have probably also not seen yet, but we are going to see that is the electrification. As in the electrification of mass bus rapid transport systems will start getting in, the need for the grid reliability or increasing the grids much more sustainable will be much more important in that.

So, this kind of the large bus charging system, what we call as a grid-to-plug, it needs a much more robust networks and those opportunities is what we are going to see in the days to come.

Jonas Bhutta: Now that officially Hitachi has come on board from July onwards. From a strategic direction point of view, one of the key driving forces for business with Hitachi coming in was its ability to fund clients to take on projects and then sort of bag contracts equipment orders to these APPSIL. How should one monitor that happening – will it start with domestic projects or will be driven by exports and then we come into the domestic market, if you can put out a timeline as to if at all that is going to be the strategy going forward in the near-term?

N. Venu: As I said the deal got completed only on July 1st. And until July 1st, there was a strict antitrust rule, so we cannot go and exchange the information and start looking at the projects. And then we started looking at the synergies only after the 1st of July and it is too early to say on that, but definitely we are looking at the synergies for offering both on the product portfolio side and offering the digital platform where Hitachi has invested in the Lumada platform. And we are looking at from energy platform and digital platform combined solution we can offer to our customers, that is one. And the second is, as you rightly said, we are also looking at the financing, not only from the Hitachi side financing, also looking at financing from the JICA and JBIC finance projects, how we can do that. So I think we will be in a position to update you. And right now, we are just only four weeks old and we are working on that track.

Jonas Bhutta: Last week ABB India, the erstwhile partner company launched an online portal for medium voltage products, like switch gears or MTBs and circuit breakers to be sold online. Is there product sharing agreement between APPSIL and ABB for some of these products or that is a completely different product line that is only for ABB India?

N. Venu: As part of our carve out, between ABB and Hitachi ABB Power Grids there is a mutual long-term supplier agreement. So, whenever customer wants, we will be in a position to offer the product from the both companies where ABB can offer our products and we can also offer their products.

Moderator: Thank you. The next question is from the line of Renu Baid from IIFL. Please go ahead.

Renu Baid: I have two, three questions. My first question is, if you can share with us a little more in terms of what is the kind of opportunities that you are seeing today in the export market especially Southeast Asia and subcontinent? And how would you see exports ramping up in the next 12 to 15 months? Also, if you can throw some color on how was the performance of export during the first half and the current quarter?

N. Venu: Exports is one of our key levers for growth and we would like to leverage our existing manufacturing, we have 16 manufacturing factories in five locations and these manufacturing factories also catering to not only for the domestic market, but also as exports. And we also

talked to you previously that our exports are in the range of 15% to 20% and our key markets are not only Southeast Asia, but also Africa and South America and also some of our other markets in that. So, this quarter, I think we have had a good decent order particularly looking at our first half of the year and we have a decent growth in the exports in overall if you take the first six months versus last year six months, then we have a decent growth of exports.

Renu Baid: Can you quantify decent growth numbers?

Ajay Singh: The first half exports were in the range of 20%.

N. Venu: We have been saying also our range of exports is in the 15% to 20%. So we have reached 20% by first half.

Renu Baid: My second and third question is also on a similar line. You did mention that you will continue to invest in physical product lines. So notwithstanding the recent challenges of pandemic, but from a two to three year perspective, what could be the new product lines or factories that we are looking to add and expand for domestic market as well as for the export opportunity? And third question is again to Ajay, if you look from annual perspective, we are paying approximately 4% royalty fee and 2% management fee to the parent and group entities here. So how do we see some of these long-term cost moving in terms of trends for CY'21-22 from a medium-term perspective?

N. Venu: Investments, as you know that we have been in India for the last six decades, and we are continuously investing it and upgrading our manufacturing facilities and bringing the new products and depending upon any particular time, we always have investment plans or expansion plans are ongoing and we will be bringing the new products at this point in time. We will not be in a position to give you a specific names of our factories or expansions, but I would say that we have more than 150 crores worth of investment projects are at various stages at this point in time.

Renu Baid: We are expanding?

N. Venu: Expanding, yes.

Ajay Singh: Our products are technology-based and it requires some ABB technology for which you need to basically pay royalty and technology with the group companies. So, because the resultant technology holder is a global company and accordingly, we expect the 4% of the royalty will be continued till this year end, and going forward also depending upon how the new management comes, that we are not aware, but then I see that at least for next year, we are going to be in this particular range.

Moderator: Thank you. The next question is from the line of Renjith Sivaram from ICICI Securities. Please go ahead.

- Renjith Sivaram:** I think the last year somewhere we got some orders for eMobility. Where are the opportunities in these and what is the size of those – is that company we are contemplating to expand, if you can throw some light on the eMobility portion?
- N. Venu:** What we did is that in the month of January, we have signed MoU with Ashok Leyland, who, as you know, is one of the largest bus manufacturers in the country. We are developing using our Flash charging technology called as TOSA. And this technology enables us to charge the bus in less than 20-seconds and we are developing the pilot and that is where we announced it at that particular time. The project is ongoing and we expect that project to be up and running maybe by first quarter of next year. And what we basically believe is that with the both of our Grid eMotion Flash charging technology what we have deployed right now as part of the pilot, and also Grid eMotion Fleet technology, where it can be useful for mass charging of the buses or any other kind of mass transport systems. If you see, we have close to 2 million buses in the country and out of this at least the 16% ~17% is state-owned buses and as part of the government saying is that 5,500 buses are expected to be electrified by 2024 and we see there are a lot of opportunities of these kind of bus charging technology where we bring in some grid to plug technology and that has encompassing entire digital solutions not only the charging, but also look at energy consumption, reliability and optimization and also looking those kinds of things.
- Renjith Sivaram:** So we will also be participating in the eCharging tenders which EISL and others are planning to come out with?
- N. Venu:** We are not a charger supplier; you need to understand. We provide the charging system which includes the charger, but our charging systems would enable the large scale charging and help manage grid.
- Moderator:** Thank you. The next question is from the line of Rajesh Nichale from Reliance Industries. Please go ahead.
- Rajesh Nichale:** My question is with respect to the ongoing open offer for ABB Power. From the various media reports, which we have heard and read the power grid business as per various lead valuers were ranging in 8,000 to 12,000 crores. Then how come for the open offer purpose it has been only valued at Rs.3,600 crores?
- Poovanna Ammatanda:** In terms of the open offer, as informed by the acquirers, this has been calculated in terms of Reg.8(4) of the SEBI takeover regulations and has taken into account all valuation parameters including book value, comparable trading multiples, and other parameters as are customary for valuation of shares of such companies. And in fact, for this purpose valuation reports from two independent agencies were obtained -- Bansi S. Mehta & Co. undertook an independent valuation exercise and issued a valuation report dated March 24, 2020 in terms of Reg.8(4) of takeover regulations and derived the value of Rs.851 per share. Ernst & Young Merchant Banking Services LLP undertook an independent valuation exercise and issued a valuation

report the same date which was at 847.1 per share. And accordingly, the offer price of Rs.851 per share which is higher of the above was taken. The offer is being made at price of Rs.865.92 per share comprising of Rs.851 per offer share and an interest of Rs.14.92 per offer share. It is computed at the rate of 10% per annum for the period from March 30th being the date of making the public announcement and June 2nd being the date of publication of detail public statement. The Company was listed on March 30, 2020 subsequent to demerger of ABB India Limited Power Grids business and since APPSIL was listed only on March 30, 2020, the interest component has been calculated with reference to that date till the publication of the detail public statement. The acquirers are best positioned to address this query in terms of valuation that you have raised and ABB Power Products and Systems India Limited is not involved in the fixation of the offer price nor interest and therefore, is not in a position or able to respond to questions pertaining to valuation, open offer price and related interest.

Rajesh Nichale: But ultimately it is the valuation of your business. So even I understand acquirers are determining that, it is far from the real value which your business has actually. Just if I may add these reports which you said Banshi S. Mehta, E&Y which have come out on 24th of March, how long did it take for them to arrive at this valuation?

Poovanna Ammatanda: We would not have the date of appointment as such, but it is a long-drawn process that they were appointed because valuation had to be completed, so maybe we can check with the acquirers and come back to you in terms of the date of appointment.

Rajesh Nichale: It is quite a coincidence that their values are less than 0.5% range, 847 and 851?

Poovanna Ammatanda: Yes.

Moderator: Thank you. Our next question is from the line of Lakshmi Narayan from ICICI Mutual Fund. Please go ahead.

Lakshmi Narayan: I have a couple of questions. And the company is now Hitachi ABB and there will be definitely change in the culture. It is important to acknowledge this and then work through. May I know what specific thing you have done to address this? And has it been put as a priority, #1, because that drives the company forward?

N. Venu: I think this is a very, very good question and we would be very delighted to answer this. As you know, we are 130-years of legacy and Switzerland and Sweden-based and European background, it is a multicultural organization at any given point of time and in any of our management teams, we have at least minimum of several passports holders sitting across that. That is where we are proud of it and that is where we are doing it. Now, after July 1st, we are now owned by Hitachi. When Hitachi has acquired, they liked our strategy and they wanted us to deliver the strategy. And they said, we continue our headquarters in Switzerland. Our new Hitachi ABB Power Grids is headquartered in Zurich. And we continue to run by the same team.

Claudio Facchin is a Group CEO of our organization, and it will be run through the joint venture board where Hitachi and ABB will be there. And yes, culturally definitely, there is difference. But when we had our first meeting together with Hitachi after the day one and basically Hitachi CEO was asking us that you need to be proud of the culture what you have and there are differences, we must acknowledge the differences, but at the same time, Hitachi is looking forward to building fusion, that is a culture of ABB and the culture of Hitachi. That is exactly what we are working towards building a fusion-based culture where we can learn from each other and from Hitachi side, as you know, the Japanese companies are highly respected in the planning wise, in the designing in the quality aspects of that, and where in case of our company is known for pioneering leadership and so on and so forth in that. So that is exactly where we are planning to do this fusion and bringing both cultures together and that is where we are proud to be part of this going forward.

Lakshmi Narayan: My second question is how do you bring predictability to your business and what steps you have taken for the same because we understand some of the projects are lumpy and then your fixed base goes up because of accommodating this and then that goes away it becomes a difficulty, right, so how do we ensure predictability to your business in the next three years or five years?

N. Venu: I think, again, we have done a lot of these things previously and as part of our transformation program, we brought in Power Up as a transformation strategy. And as part of that, we have a three main strategic pillars -- one is that we want to be a growth engine and the second one is, doing the different business model and third one is the execution is the key because the quality and on-time delivery, etc., in that. These three are rooted in two foundation layers of innovation and people and that is where we have been focusing on at least four years and today we are able to bring in much more predictability in our business and then we still need to do it, but there is lots of market situations like COVID kind of situation is unprecedented and you cannot be in a position to factor those kind of things in any way. And living that I think by and large, we are in a position to say that ratio is improving I would say that.

Lakshmi Narayan: I am sorry, I have not concluded. So, just on that predictability in general, what percentage of your revenue is at any point in time in terms of kind of annuity-based thing or something like that where there was clear predictability, products you actually export, you do various other things, like grid automation, etc., what is the general as a thumb rule, there is certainty of some business at any point in time for you, what is the percentage like broadly numbers you would see?

N. Venu: Our revenue comes out of our backlog. So we have right now as I told you Rs.5,133 crores of backlog and our book-to-bill ratio, we need for some of the businesses, but very less in that. Most of our revenue comes out of our backlog. So there is stability in that. Thank you.

Moderator: Thank you. We will take our next question from the line of Bhavin Vithlani from SBI Mutual Fund. Please go ahead.

Bhavin Vithlani: I have two questions. First is the Atmanirbhar Bharat program which has been announced. Does it structurally change the competitive landscape for the T&D industry? And do you believe that this calls for a higher growth rate and better profitability going forward and any areas that you would like to highlight?

N. Venu: And when it comes to our company, ABB Power Products and Systems India Limited we have been in this country for more than six decades, and we are probably a very few countries within our group where we manufacture more than 80% of whatever we produce. Having said that, I think competition is important for customers, where customers gets a lot of choice in terms of the technology, in terms of the prices and other things, and it also brings a lot of innovation for all the players. So, when it comes to us, our take is we always want a level playing field where we can really bring innovative products, and technology to our customers in that. So, when it comes to us, I think by and large, our portfolio, we have quite a robust supply chains and we always have multiple supply chains not only in one particular country, but also on various countries. So that way, I think we are better leveraged for this particular thing.

Bhavin Vithlani: But does it improve the competitive landscape for you in terms of better profitability over the next one or two years?

N. Venu: I would not say the better profitability. For sure, we are in a better position to offer our increment. We always have been taking a stand. We would like to compete and competition is good for the customers and good for everybody and we have been competing and we would like to compete.

Bhavin Vithlani: The second question is on the exports front. While you did answer to the earlier participant, but can we expect a steady state growth in the export because many of the peers set have been talking about realignment of supply change and the ongoing trade war with China also is leading to a beneficial interest for companies in India?

N. Venu: I think we have been consistently saying that our exports in the range of 15% to 20% and that is exactly what we are working in that and we continue to invest in expanding our thing. As and when there is a definite any particular information we will be happy to share. At this point in time, our focus is to now leverage our existing manufacturing footprint not only for the Indian customers, but also for the rest of the world. So with that, thank you operator. If you could close and those who have any questions, please reach out to us. We will be very happy to engage and then answer to your questions.

Moderator: Thank you very much, sir. Ladies and gentlemen, on behalf of Hitachi ABB Power Grids, that concludes this conference. Thank you for joining us and you may now disconnect your lines.