

July 21, 2020

BSE Limited
P.J. Towers
Dalal Street
Mumbai 400 001
(Atten:DCS Listing)

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

Dear Sirs

Subject: Submission of Annual Report of the Company for the Financial period ended December 31, 2019 pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

In terms of Regulation 34 of the Listing Regulations, enclosed please find copy of the Annual Report for the financial period ended December 31, 2019 being circulated to Shareholders of the Company in respect of the 1st Annual General Meeting, scheduled to be held on Thursday, August 13, 2020 at 11.00 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

You are requested to take the same on your record.

Thanking you.

Yours faithfully,
For ABB Power Products and Systems India Limited

AMMATANDA
CHINNAPPA POOVANNA
Digitally signed by AMMATANDA
CHINNAPPA POOVANNA
Date: 2020.07.21 10:11:42 +05'30'

Poovanna Ammatanda
General Counsel and Company Secretary

Encl: As above

ABB POWER PRODUCTS AND
SYSTEMS INDIA LIMITED
ANNUAL REPORT 2019

Shaping the future of sustainable energy

ABB Power Products and Systems India Limited

At a glance

ABB Power Products and Systems India Limited* provides one of the most comprehensive grid portfolio across the entire power value chain. We have been making in India for over six decades, commissioned landmark projects and invested ourselves in shaping future talent in the country.

We remain committed to our purpose:

**Shaping the future of sustainable energy,
with pioneering technologies, as the partner of
choice for a stronger, smarter and greener grid.**

*ABB Power Products and Systems India Limited operates as Hitachi ABB Power Grids in India and is listed on the NSE and BSE as POWERINDIA.

Annual Report 2019

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ABB Power Products and Systems India Limited

Strengthening our footprint to drive sustainable energy growth

Headquartered in Bengaluru, ABB Power Products and Systems India Limited became a standalone legal entity in 2019, after demerging from ABB India Ltd. We established a world-class digital experience center demonstrating the next level of enterprise performance for enhanced grid stability, improved asset performance and efficient operational management, and also began work on our

High-Voltage Products Innovation Center as part of our investment in strategic research and development. We also laid the foundation for projects in the e-mobility space in the country with our TOSA electric-bus flash-charging technology. We partnered with Ashok Leyland in 2020 to facilitate a zero-emissions mass public transportation bus system.



MOU signing for the TOSA electric-bus flash-charging technology with Ashok Leyland.



Inauguration of High-Voltage Products Innovation Center at Vadodara.



Launch of a world-class digital experience center - PowerDEC - Bengaluru.

Our roadmap

Committed to setting higher benchmarks

ABB Power Products and Systems India Limited is constantly transforming by investing in creating a winning portfolio of future-ready products and services. This has ensured we remain the partner-of-choice for our customers to enable a stronger, smarter and greener grid. We understand the criticality of our work for India's economic success and hence have committed ourselves to developing and strengthening the country's power infrastructure across diverse growth segments such as rail electrification, e-mobility, high-voltage direct current (HVDC), data centers and renewables integration, to ensure unobstructed flow of essential services. Powering up our vision is our investment in research along with our active performance tracking.

We aim for nothing less than world-class execution, building on our nature of continuous improvement in our business models and lean implementation of complex projects. With that, we have grown from commissioning the first HVDC link in India over 25 years

ago to the 8,000 megawatt North East-Agra ultra-high-voltage-direct-current link, to booking breakthrough upgrade projects this year.

We have successfully strengthened our role as a product and systems partner and digital solution expert through our futuristic vision, quick turnaround time and offerings that improve customers' competitiveness and reduce their carbon footprint. All this has been supported by our people strategy and strong culture of innovation.

We take pride in encouraging fresh ideas, keeping our employees, customers and partners at the heart of everything we do. We are deeply committed to building a motivated talent pool that will continue to help us shape the future of sustainable energy with our pioneering technologies, ensuring we remain ahead of the curve.

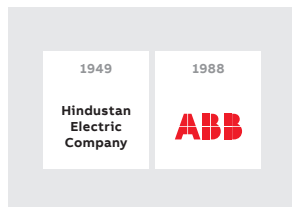
Our aim is to provide the best and most cost-effective products to our customers so that they can better serve their customers.





Our heritage in India


Most comprehensive power grid portfolio, across the value chain


With a history spanning more than six decades, we have built on our strong position to deliver world-class projects through state-of-the-art technologies and an outstanding talent pool, and contributed to India's Smart Cities and "One Nation" - "One Grid" - "One Frequency" mission, as well as Power-for-All and Make-in-India initiatives.




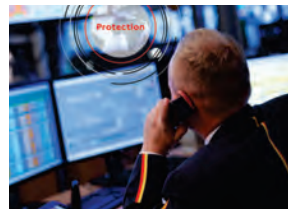
• **1949** 
Hindustan Electric Company is incorporated and later acquired by Brown Boveri Cie (BBC). **ASEA and BBC merge to form ABB in 1988**

• **1965** 
First manufacturing facility in India is set up in Maneja, Vadodara-the **circuit breaker factory**

• **1989** 
Commissioned the **first back-to-back HVDC transmission link** for NPTCL at Vindhyachal, connecting the northern and western grids

• **2013** 
Inaugurated the **dry-type transformers** and **PASS-GIS factories** in Savli, Vadodara, under the Make-in-India Initiative


• **2015** 
Installed end-to-end power solutions for **Delhi Metro** and **SCADA** to monitor and control the power network




• **2019** 
Booked our first order for **cybersecurity** from Power Grid Corporation of India Limited (PGCIL), Roorkee

• **2018** 
Partnering Indian Railways' electrification ambitions with extensive traction equipment orders

• **2017** 
First digital substation for reliable, round-the-clock power to serve the 350 companies for India's largest Information Technology park

• **2017** 
Commissioned the **world's first multi-terminal UHVDC link**-the 6,000MW, 800kV DC link connecting North-East to Agra

• **2016** 
Energized the world's highest rated **1,200kV transformer and circuit breaker**

Our footprint in India

Well-networked to serve customers

We are spread across 16 manufacturing units and 17 sales offices in five locations. With over 2,000 employees, we are serving over 1,000 customer groups and living up to our promise of on-time-delivery.



2,200+ employees



16 manufacturing units



17 sales offices



1,000+ customers



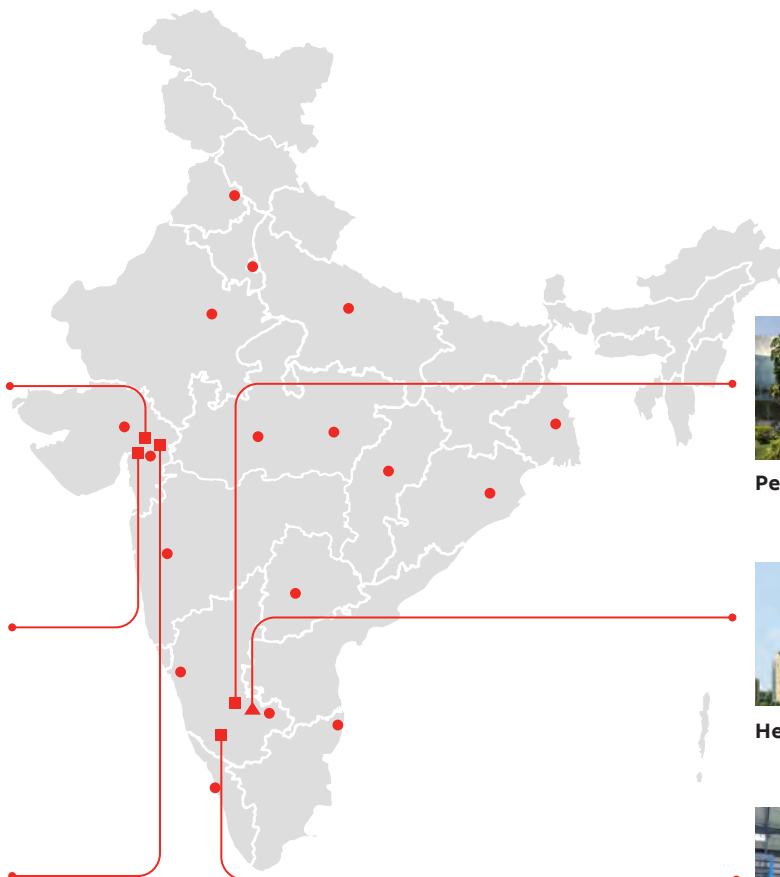
Savli, Vadodara



Maneja, Vadodara



Halol, Panchmahal



Peenya, Bengaluru



Hebbal, Bengaluru



Mysuru

▲ Head office and GBS, Bengaluru

■ Key manufacturing locations

● Sales offices

Our portfolio

Operating across the entire power value chain

We supply products and components, systems, software and automation, and services through our four businesses and partner with customers through the entire product and project lifecycle - from building and planning to operating and maintaining.



Products and components

Broadest portfolio and footprint

- Grid automation products
- Live tank breakers
- HV instrument transformers
- Disconnectors
- Capacitor & filters
- GIS
- Hybrid switchgear-PASS
- Power transformers
- Reactors
- Traction transformers
- Insulation & components
- Dry transformers

Systems

Technology and innovation leader

- Grid-edge solutions
- Grid & power quality systems
- HVDC-grid interconnectors; city infeeds
- FACTS & power quality
- E-bus charging systems (TOSA)
- Substations & services - digital substations; hybrid and mobile solutions



Service

Largest installed base

- Transformers
- High-voltage products
- Grid automation

Software and automation

Deepest application know-how

- Communication networks
- Enterprise software
- Grid automation systems



Planning and building solutions

- Power consulting

Operations and maintenance solutions

- Asset management solutions
- Energy portfolio management
- Workforce management solutions

Innovation and people

At the heart of everything we do

Enabling a stronger, smarter and greener grid through our pioneering technologies and collaboration across sectors: case studies.

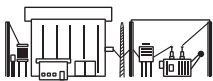
Power Grid Corporation of India Limited selects ABB Power Grids' transmission technology to bring reliable power to 80 million people.

In less than a decade, India is likely to become the most populous country in the world. The Government has promised to provide 24/7 power for all its people while sustaining its economic growth momentum and living up to its climate pledge.

Thus, Power Grid Corporation of India Limited (PGCIL) selected ABB Power Grids to commission an 800-kilovolt ultra high-voltage direct current (HVDC) transmission link between Raigarh in Central India to Pugalur in the southern state of Tamil Nadu, integrating both thermal and wind energy. The link is also called RP800.

Stretched over 1,830 kilometres – among the longest in the world, the link will hold a capacity of 6,000 megawatts – the equivalent of more than six large power plants – and be able to meet the electricity needs of over 80 million in India. It would also lead to a saving of approximately 244 square kilometres of space – the entire city of Kuala Lumpur.

Leveraging its extensive local manufacturing and engineering base in India and proven partnership with its consortium partner, Bharat Heavy Electricals Limited (BHEL), for the execution of this project, RP800 honors the Make-in-India initiative and showcases ABB Power Grids prowess in delivering breakthrough projects and shaping the future of sustainable energy.



IIT - Roorkee partners with ABB Power Grids to become a green campus.

The Indian Institute of Technology, Roorkee, India's oldest engineering university, chose to collaborate with ABB Power Grids to construct an operational smart electricity distribution network and management system in its campus – a project that will serve as a proof of concept of using smart grids and intelligent automation to efficiently manage power distribution. In line with ABB Power Grids' goal of building technology that runs the world without consuming the earth, it would also showcase how India can make its vision of Power-for-All much more sustainable.

ABB Power Grids' Supervisory Control and Data Acquisition systems (SCADA), microgrids energy storage and energy management systems will be installed to automate and remotely monitor, control and measure the campus grid. The entire integrated system will offer more power resilience, lower costs due to reduced dependency on electricity sourced from the Government utility and diesel generators. The agreement also includes the creation of a Smart Grids Resource Centre and joint R&D facilities in the field of efficient power generation and distribution with a focus on clean energy over the next five years.



— ABB Power Grids powers Indian metros

To maintain its economic momentum, India needs a rapid mass transit system. Without slowing its economic growth ambitions, the country requires a rapid mass transit system that is continuously upgraded and extended. As of today, all metro rail services in India use some ABB Power Grids technologies.

Helping commuter trains run reliably, efficiently and safely, its world-class solutions, from electrification to future-ready remote monitoring system, are powering the longest metro network in the country – the Delhi Metro. Easing traffic congestion and reducing pollution, they are enabling operators to take proactive measures to avoid major repairs or service interruptions. Through the continuous monitoring of field equipment and systems, they are also helping to enhance performance and cut costs.

The Bangalore Metro project, the second longest metro network, also runs on ABB Power Grids technology and so does Kochi - one of the 100 smart cities assigned by the Government - is the first tier 2 city to have a metro project in the country and for its 13-kilometer-long metro stretch ABB Power Grids has provided a host of technology solutions for power supply and distribution packed with environment friendly features that optimize space and ensure safety of people and equipment.

The Company is also responsible for the electrification of the first corridor, between Versova-Andheri-Ghatkopar, in Mumbai, bringing much respite to the already stressed suburban transit system in the city. Metro networks are key to sustainable urban mass mobility in Indian cities, where about 40 percent of the Indian population is projected to reside by 2030. About 25 metro projects are planned in the country in the coming years. ABB Power Grids remains at the forefront of powering them with its digitally advanced solutions, shaping the future of modern mass transit in the country.



Country Management Committee

Strong leadership, clear focus

Striving to create value for customers through rich industry experience and dedication to shape the future of sustainable energy in India.

From left to right (standing)

Poovanna Ammatanda General Counsel and Company Secretary
Karthik Krishnamurthi Head of Sales and Marketing
Ahmad Khan Senior Vice President - Grid Automation
Akilur Rahman Chief Technology Officer
Ramkumar D Senior Vice President - GPQS
Saji S Senior Vice President - HVDC

From left to right (sitting)

Manjit Sethi Senior Vice President - Transformers
Raja Radhakrishnan Country HR Director
N Venu Managing Director
Ajay Singh Chief Financial Officer
Manashwi Banerjee Head of Communications
Rupinder Singh Senior Vice President - High Voltage Products



Company information

Board of Directors

Frank Duggan, Chairman
 Venu Nuguri, Managing Director
 Sanjeev Sharma, Director
 Akila Krishnakumar, Independent Director
 Mukesh Hari Butani, Independent Director
 Nishi Vasudeva, Independent Director

Audit Committee

(Constituted wef December 24, 2019)
 Mukesh Hari Butani, Chairperson
 Akila Krishnakumar, Member
 Nishi Vasudeva, Member
 Venu Nuguri, Member

Stakeholders

Relationship Committee

(Constituted wef December 24, 2019)
 Nishi Vasudeva, Chairperson
 Mukesh Hari Butani, Member
 Venu Nuguri, Member

Nomination and Remuneration Committee

(Constituted wef December 24, 2019)
 Akila Krishnakumar, Chairperson
 Nishi Vasudeva, Member
 Frank Duggan, Member

Corporate Social Responsibility Committee

(Constituted wef December 24, 2019)
 Akila Krishnakumar, Chairperson
 Sanjeev Sharma, Member
 Venu Nuguri, Member

Risk Management Committee

(Constituted wef December 24, 2019)
 Mukesh Hari Butani, Chairman
 Nishi Vasudeva, Member
 Frank Duggan, Member
 Venu Nuguri, Member
 Ajay Singh, Member

Auditors

Messrs B S R & Co. LLP,
 Chartered Accountants
 Maruthi Info-Tech Center,
 11-12/1, B Block,
 2nd Floor, Inner Ring Road,
 Koramangala, Bengaluru - 560 071.

Chief Financial Officer

Ajay Singh

Cost Auditor

Messrs Ashwin Solanki & Associates,
 Cost Accountant
 801-2, Goyal Trade Center,
 Above Sona Cinema, Shantivan,
 Near National Park, Borivali (East),
 Mumbai - 400 066.

Secretarial Auditors

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

General Counsel, Company Secretary and Compliance Officer

Poovanna Ammatanda

Registered Office

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

Registrar and Share Transfer Agents KFin Technologies Private Limited

Selenium, Tower B,
 Plot 31-32, Gachibowli,
 Financial District, Nanakramguda,
 Serilingampally Mandal,
 Hyderabad - 500 032.

Bankers

1. Axis Bank Limited
2. Bank of America, N.A.
3. Deutsche Bank AG
4. HDFC Bank Limited
5. ICICI Bank Limited
6. IDBI Bank Limited
7. JP Morgan Chase Bank, N.A.
8. Standard Chartered Bank
9. State Bank of India
10. The Hongkong and Shanghai Banking Corporation Limited
11. Yes Bank Limited

Corporate Identity Number

U31904KA2019PLC121597

Highlights 2019

Setting many a milestone

Cybersecurity: Booked our first order from Power Grid Corporation of India Limited (PGCIL), Roorkee.

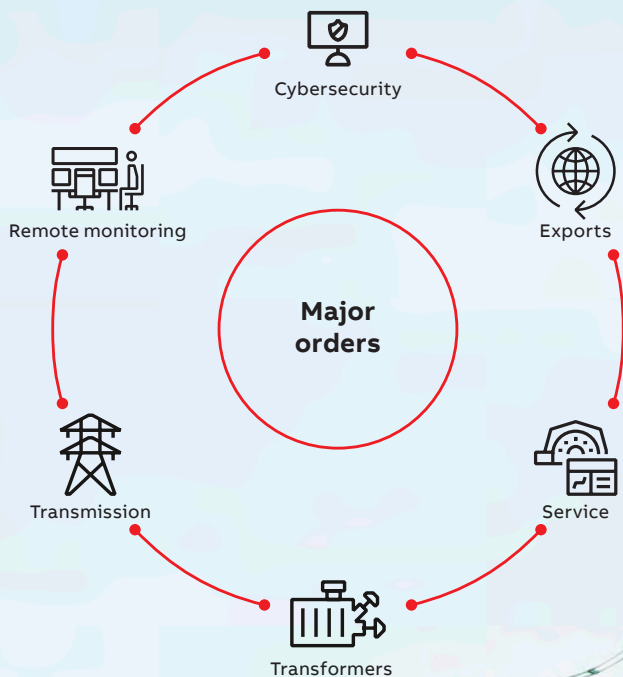
Remote monitoring: Delivered our largest single Feeder Remote Terminal Unit order from Asian Fabtech for Bangalore Electricity Supply Company Limited in a year.

Transmission: Commissioned first multi-protocol label switching - transmission protocol fiber optical transmission equipment order for 1,400 km oil and gas pipelines for Pipeline Infrastructure Limited.

Transformers: Booked milestone orders for traction transformers for Indian Railways under their 'Mission Electrification'.

Services: Booked HVDC upgrade order for PGCIL's Rihand-Dadri HVDC link, a recovery and restoration order for Thyristor Controlled Series Compensation solution at Raipur Substation, life-cycle service orders for grid automation from Delhi Metro Rail Corporation, Vedanta, NTPC and PGCIL, and many others.

Exports: Our transformers business booked breakthrough orders in Africa, South America and Asia. We made entry into Angola and booked our first order for the 245 kV vertical break disconnecter from the U.S..



Financials

Our performance from April - December 2019

In the nine months, ABB Power Products and Systems India Limited, delivered profitable growth in uncertain markets. We sustained positive revenue momentum driven by our fine project execution and on-time order delivery.

Performance summary

Particulars	April - December 2019
Total orders received	2,642
Revenue	3,231
Profit Before Tax (PBT) before exceptional item	261
Profit After Tax (PAT)	165

* For the nine month period ended December 31, 2019.
All figures in INR Crore

Key ratios

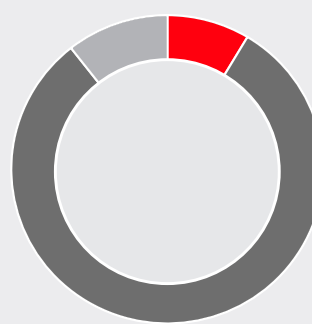
Effective tax rate	25.0%
Earning per share (INR)	44.7
Debtors turnover	2.02
Inventory turnover	6.71
Current ratio	1.07

Order split by sector



■ Industry ■ Transport ■ Utilities

Order split by offerings



■ Projects ■ Products ■ Services

01

Statutory Reports

Business Responsibility Report 016 – 029

Notice to the Members 030 – 037

Director's Report 038 – 046

Management Discussion and Analysis 047 – 084

MD/CFO Certificate 085 – 086

Business Responsibility Report 2019

Statement on Demerger

ABB Power Products and Systems India Limited (“Company” “We”) was incorporated on February 19, 2019.

A scheme of arrangement (“Scheme”) was entered into between (i) ABB India Limited (“INABB”/“Transferor”) (a subsidiary of your Company’s Promoter, ABB Asea Brown Boveri Ltd) and (ii) your 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, which provided for inter alia the Demerger of the Power Grids Business of INABB (“Demerged Undertaking”) and the consequent issuance of Equity Shares by the Company to the shareholders of INABB as per the Share Entitlement Ratio. The Scheme was approved by your Board of Directors pursuant to its resolution dated March 5, 2019 and the Board of Directors of INABB pursuant to its resolution dated March 5, 2019. Pursuant to an order dated June 27, 2019, passed by the NCLT, meetings of the equity shareholders and the creditors of INABB were convened. The equity shareholders and the creditors of INABB approved the Scheme at court convened meetings, each held on August 9, 2019. The NCLT approved the Scheme on November 27, 2019. The Appointed Date of the Scheme was April 1, 2019 and the Effective Date was December 1, 2019.

The Scheme provided for the transfer by way of a demerger of the Demerged Undertaking and the consequent issue of Equity Shares by the Company to the shareholders of INABB in accordance with the Share Entitlement Ratio, and various other matters consequential or integrally connected there with, including the re-organisation of the share capital of the Transferee, pursuant to Sections 230 to 232 of the Companies Act, 2013, the SEBI Circulars and in compliance with the Income Tax Act, 1961.

With regard to all the activities undertaken during the financial period, it may be noted that Transferor company contributed/undertook the conduct for Power Grids business and post effective date of the Demerger, i.e. December 1, 2019, the Company has been continuing with all the efforts and conduct of Power Grids Business.

Sustainability overview

Our Purpose is powering good for a sustainable energy future, with pioneering and digital technologies, as the partner of choice for enabling a stronger, smarter and greener grid. We help to increase access to affordable,

reliable, sustainable and modern energy for all. Aligned with the United Nations’ Sustainable Development Goal 7. The Company is a leading contributor to a sustainable world through its unique business offerings of pioneering technologies and sustainable business practices. The Company is expecting in aiding and steering the path for the country’s vision of sustainable growth and its agenda to focus on smart cities, sustainable mobility solutions, bringing in automation and energy efficiency in core manufacturing and utility sectors apart from focusing on its in-house sustainability in terms of sustainable processes and practices at its operations and manufacturing locations.

The Company is supporting Government of India to realize its ambitious vision of ‘Make-in-India’ through advanced manufacturing technologies that incorporate the latest developments in robotics and artificial intelligence. The Company is using its state-of-the-art manufacturing and applications of future technologies.

The Company is expecting to create value by manufacturing and supplying energy-efficient power grid business making their operations more efficient and lowering overall environmental impact. Robust risk management processes are being undertaken, covering health, safety, social, environmental and security impacts, to strengthen business performance and resilience.

Sustainability considerations are embedded into the Company’s daily business and it helps to create value to its varied stakeholders and manage its risks. The Health Safety Environment and Sustainability Affairs (HSE/SA) function sets strategic direction and delivers effective, efficient services that embed health, safety, environment, security and corporate responsibility in sustainable business practices of the Company.

The Company has a focused approach to address sustainability and has set itself with ambitious targets for key sustainability indicators such as health safety, environment-energy, climate change, waste, water, right material use, resource efficiency, integrity, sustainable sourcing, security and community engagement. All these initiatives have a direct or indirect impact on the Company’s performance and its success. The Company has in place a comprehensive policy on Health, Safety, Environment, Security and Sustainability. The Company also has an HSE policy in line with the Group’s objective.

To realize global leadership in HSE/Sustainability (SA) performance, the Group has created a robust and comprehensive HSE/SA management system (titled the ABB way) based on internationally recognized

sustainability standards, principles and commitments including ISO 45001 and ISO 14001. This system sets clear expectations and the required minimum standards, which are being implemented and embedded into our operations across the world including activities of the Company.

Sustainability objectives and targets

The business has set sustainability targets that are continuously monitored, and along with actions are taken. The Group targets and programs for 2020 and beyond includes the following nine sustainability objectives against which performance is monitored and reported:

1. Products and services for a better world
2. Energy efficiency and climate change
3. Safe and secure operations
4. Integrity
5. Human rights
6. People and society
7. Responsible sourcing
8. Resource efficiency
9. Right materials

The Group prepares the Sustainability Report annually for public disclosure based on the Global Reporting Initiative (GRI) guidelines.

Stakeholder engagement

Sustainability performance forms an important basis for the Company's dialogue with its stakeholders. In recent years Group has been carrying out surveys with stakeholders that impact the Company's sustainability strategy and priorities. Consultations with both external and internal stakeholders were instrumental in developing the Group sustainability objectives for 2014-2020. A comprehensive dialogue is in process to seek inputs and feedback from key stakeholders that will enable ABB to revisit its materiality matrix and also in developing the next level 2030 objectives.

The following are the key identified stakeholders of the Company:

Business	Government	Civil society
Customers	Government and regulators	International organizations
Suppliers	Legislators and the law	Local communities
Investors	Trade bodies	Academia and scientific community
Employees		Media
Competitors		NGOs and civil society organizations Trade unions

During the financial period ended December 31, 2019 the Company and the Power Grids Business through the

Transfer of Company dynamically engaged with its varied stakeholders to create an inclusive business environment seeking their inputs constantly. 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.

We established a world-class digital experience centre demonstrating the next level of enterprise performance for enhanced grid stability, improved asset performance and efficient operational management, and began work on our High-Voltage Products Innovation Center as part of our investment in strategic research and the company also laid the foundation for projects in the e-mobility space in the country with the TOSA flash-charging solution. The company also partnered with Ashok Leyland in 2020 to facilitate a zero-emissions mass public transportation bus system.

Supplier and contractor safety meets are carried out regularly to bring contractors and vendors in line with safety requirements of management systems. The Company also carried out its Supplier Sustainable Development Program (SSDP) across chosen vendors.

A total of NIL investor complaint was received in the financial period. For employee participation and engagement, there are several ongoing initiatives. Also, there were several management communications with emphasis on health, wellness & safety in daily work.

The Company during the period also organised several customer engagement events to bring the Company's technologies closer to the customers.

Healthy and safe working environment

Safeguarding its employees and contractors is the prime area of focus for the Company. Safety being a line responsibility, the Company focused on developing people skills, knowledge and resources to equip its personnel with the right behaviour. This year, apart from certifying its employees on safety, the Company's trainings focused on behavioural and job specific aspects such as Safety Master Class and Resilience for all its managers and specific trainings and certification programs imparted to nominated members such as the Institution of Occupational Safety and Health (IOSH) and National Examination Board in Occupational Safety and Health (NEBOSH). Electrical safety trainings for all service personnel was also completed by the Company. The Company clocked around 15,000 man-hours of training during the period under review.

To ensure safe operations, hazard reporting resolution of reported hazards was implemented. The Company received a total of 25,000 hazards during the period under review and 98.8% of the reported hazards were resolved during the period under review and the balance being done. A total of 1,852 Sustainability Observations Tours (SOTs) were conducted during the period under review across the Company which included not just safety but also health, environment and security related observations. The Company clocked a total of 16 million contractor man-hours worked and 14 million employee man-hours worked, with zero work related fatality, Zero serious injuries, One high potential incident, One lost time injury and 7 medical treatment injuries.

In an effort to motivate and propagate good safety practices within the Company, it continued to appreciate and reward key innovations, best practices by individuals and teams and these were recognized and rewarded under the Company's annual HSE awards program. The Company also followed the fair process to recognise contributions to HSE.

Occupational health and wellbeing continued to be another key HSE focus for the Company. Various health programs such as occupational health checks, welfare oriented executive medical checks, resilience program with focus on breathing meditation, relaxation sessions, yoga and stretching exercise sessions were conducted. Training sessions on the usage of Automated External Defibrillator (AED) that have been deployed across locations and on Basic Life Support (BLS) were conducted. The Company also saw large participation of its employees in completing "at least 10000 steps a day" as a part of the Global Health Challenge program initiated by the Group. There was also increased communication by the Company on general health information to all employees through various means including weekly mail communications. The Company came out with the 'NO TOBACCO' programme and helped employees quit tobacco use.

Environmental management

The Company is compliant with all statutory requirements related to environment, and specific environment-related challenges are addressed under the direct supervision of location heads. There were no monetary fines/penalties for Environmental non-compliances paid by the Company during the period under review.

All of the Company's facilities have been certified to ISO management systems namely ISO 14001:2015. The Company's facilities are in the process of transitioning to ISO 45001:2018.

The Company has made significant progress towards its energy and climate goals. The Company's grid electricity

consumption in the year was 30,538 MWh of which 35% is via green power purchase which in turn reduced its scope-emissions. Green power purchase and in-house solar installations for street lighting has supported the environmental objectives.

The Company had undertaken several energy conservations projects across all factories which includes, replacing conventional lightings with LED lamps, maintaining power factor at unity, provision of Variable Frequency Drives for HVAC systems, replace old motors with energy efficient ones, installation of common effluent treatment plants, Installation of combined RO plants etc.

Water management

Water withdrawal in the year was 256 KL at the Company's manufacturing facilities. Although the manufacturing processes in most sites of the Company are not water intensive, water is considered material to its operations due to the growing demand for freshwater in the country. Efforts to reduce freshwater withdrawals include conservative use of water in its operations by using water efficient fixtures in buildings and water reuse. Closed loop systems are used for the Company's cooling systems and industrial processes and in-house Sewage Treatment Plants (STP) aid in the Company's recycling efforts. Water treated in the Company's STP is used for irrigation of gardens and for sanitation purposes. The Company had merged multiple small effluent treatments plants into one single treatment plant to improve efficiency, unified RO plants installed to reuse process water and reduce natural water intake by 20%.

Waste management

Reducing generation of waste and reducing the wastes that is sent for final disposal remains the Company's focal area. Waste reduction is incorporated in the product design stage to ensure waste minimization in manufacturing process. Source segregation of waste, in-house recycling of packaging materials and reuse continues to add more value to waste and reduces the quantum of non-recyclable wastes that are sent to landfill.

All wastes are sent to relevant Pollution Control Board (PCB) authorized recyclers. Of the total wastes disposed this year, 70% were recycled through these authorized recyclers and co-processing units. The Company has also identified and implemented means to reduce sending waste to landfill rather sent to co-production. The Company had identified process for pulp recovery to re-use in the production with an overall recovery of 300 kilos every day. Over 155 tonnes of scrap being given for co-processing, thus reducing the wastes sent to landfill or incineration.

The Company understands that it is important to minimize the environmental impact related to its own manufacturing and service activities, and the real challenge is in reducing the impact along the whole value chain which includes the impact from its products, from material selection through production, operation and end-of-life treatment. A majority of the Company's products have a very long operating lifetime, hence, high efficiency and low emissions during operation of the product are essential in reducing the total environmental impact.

Group uses a process called the Gate Model for product and technology development. Sustainability aspects are built into this model and includes a standardized Life Cycle Assessment (LCA) procedure. The Group also develops Environmental Product Declarations (EPD) to communicate the environmental performance of core products over its entire life cycle. EPDs are based on detailed LCA studies conducted using the LCA model and declared according to international standard ISO/TR 14025.

LCAs have been conducted for various products such as power transformers, gas insulated switchgears, and current relays, etc. and these also have environmental product declarations (EPD). EPDs provide quantitative information on all concerned aspects in comparable terms, for example energy used, resources, materials used, global warming effects and use of non-renewable resources in each one of the phases.

Supply chain sustainability

The Company extends its influence to ensure a responsible working environment of direct and indirect stakeholders. This includes partners in the supply chain who share considerable footprint in the product value chain.

The ABB Supplier Code of Conduct is the basis on which the Company builds its strategy to source responsibly. The Supplier Code of Conduct defines the Company's requirements for its suppliers and is integrated with the General Terms & Conditions. The Company considers its suppliers as business partners and requires that they conduct their business consistent with the standards and principles of the Company. Complying with the applicable environmental and OHS regulations, internationally proclaimed human rights standards and ensuring equality of opportunity are expected as the minimum level of commitment.

The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The goal of SSDP is to ensure compliance with the Supplier Code of Conduct, support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain. In the

scope of this program, the Company selects a group of suppliers each year. Then they are trained and audited to identify areas of improvement in the following domain:

- General management
- Working hours
- Remuneration
- Social benefits
- Health and safety
- Environmental protection

In addition to regular trainings, the Company has conducted special workshops on legal awareness. The suppliers also have access to the ABB Supplier Sustainability Implementation Guide, which provides practical advice on how to meet the requirements of the ABB Supplier Code of Conduct. The Company also reviews the implementation of action plans by repeated visits and follow up audits. Suppliers are supported throughout the program for any kind of technical query.

In India, 6 suppliers have been trained on sustainability requirements and 6 of them were assessed for such requirements during 2019. Total number of suppliers trained under the program since 2009 stands at 121 (may include suppliers who have undergone repeat trainings). The total number of suppliers assessed stands at 121.

This program helped the participating suppliers identify and mitigate risks and strengthen their systems. Through this program, the risk profiles of the selected suppliers have shown steady improvement, as depicted in the charts below (the charts represent the percentage risk profiles of suppliers selected from 2009 to 2019, before and after corrective actions under the SSDP). At the end Q4 of 2019, 11 suppliers who did not show commitment to fulfil the requirements of the Supplier Code of Conduct were blocked. Business with these suppliers can only resume after they have demonstrated compliance with the ABB Supplier Code of Conduct.

In order to further strengthen its responsible sourcing strategies, the Company is revisiting its sourcing process and is adopting additional controls. ABB, jointly with a 3rd party agency, did a recertification program for its internal lead assessors. Having employees who can conduct and evaluate sustainability performance of the suppliers will further embed the sustainability practices in sourcing activities.

Advocacy, aid and corporate responsibility bodies

The Company is in process of becoming member of key industry associations namely:

- 1 Confederation of Indian Industries (CII)

- 2 Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- 3 Swiss Chamber of Commerce
- 4 Federation of Karnataka Chambers of Commerce and Industry
- 5 Bangalore Chamber of Industry and Commerce

People well-being

The Company continues to attract top performers due to its inclusive culture and the opportunities available for growth. The people strategy is aligned with the Company's overall ambition to be a pioneering technology leader. This required 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.

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 behaviour in line with organizational values through its rewards and recognition programme. There was continuous focus on improving the diversity in the workforce throughout the year. An ex-employee outreach programme was also launched to encourage rehiring of performers who may have left for various reasons. The entire approach to wellbeing was based on increasing diversity, promoting inclusion and recognizing performance. Annual medical check-ups and camps were set up through the year to promote physical wellbeing.

Learning and development

The Company's learning and development (L&D) function focuses on leadership and professional development programs. The Company's L&D team is responsible for the implementation of Global Training Programs such as ABB Life, Manager Development Program (MDP), Management Essentials Program (MEP), Middle Management Program (MMP). L&D Partners are aligned to various divisions to enable effective partnering with the business and provide customized learning solutions. While Leadership Development and most other L&D initiatives are in-house, the L&D team also works closely

with external agencies and vendors to meet the demands of local training programs. This year, there was focus on developing cross cultural awareness and preparing managers to deal with a workforce which is increasingly diverse and technology friendly.

Career development and opportunities

The Company enables personal growth and development by offering open dialogue, having regular performance and development reviews including structured feedback, knowledge transfer and opportunities for multidirectional career steps, such as working on different projects, moving between various businesses or rotating among functions or geographies. The Company encourages its employees to progress within the organization as opportunities arise. Employees use career guide in their own career planning and the Human Resources function of the Company provides strong support to employees and managers in creating long term employee career plans. The Company's Human Resources have a strong talent management process as well to encourage and provide career development opportunities for promising employees. This year the Company completed the first potential development programme aimed at creating a structured development path for employees identified as exceptional performers. There was also a renewed focus on ensuring that employees across divisions are considered as successors for positions across the Company. Positions closed through internal movements went up significantly this year. Existing employees were considered first for the new positions that came up this year. Development of leaders and professionals continues to be a priority for the Company.

Diversity and inclusion

ABB Group being a global pioneer with a 125-year history, has grown from its roots in many different countries and cultures around the world. The Company welcomes different ways of thinking and acting, different qualities and skills, different experiences and backgrounds and values them because it is dedicated to being inclusive, recognizing and respecting all aspects of difference. Diversity & inclusion initiatives at the company are guided by an overall strategy with three pillars: talent, career lifecycle and raising awareness on diversity and inclusion internally and externally.

The Company through various efforts and initiatives sustained and consolidated its diversity at 5.8% in the reporting year. Some of the key activities of the Company during the period under review include:

- 1 Expanded its talent source to ensure diverse rich 'future talent pool'

- 2 Included talent development program that focuses on increasing the 'female talent pipeline' for middle management
- 3 Created awareness among people managers with 'hiring' responsibility on 'Unconscious bias' during selection process
- 4 Organized meetings with business leaders for candid discussion on D&I challenges and action plan and to bridge any gaps identified for D&I initiatives
- 5 Initiated the "Re-board" program to reconnect with former women employees
- 6 Invited women leaders to be a part of 'RISE' – a D&I initiative for women leadership development

S.N	Key human resource data of the company for the year	2019
1	Total number of permanent employees	2,200
2	New employees added	11*
3	Apprentice/Interns/Trainees	385
4	Total number of employees hired on contractual basis	219
5	Number of women employees of the total number of permanent employees	129
6	Number of permanent employees with disabilities	15
7	Recognized employee association	YES
8	Percentage of permanent employees who are members of the recognized association	27%

*from April 1, 2019 to December 31, 2019.

Respecting and promoting human rights

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 Labour Organization (ILO) core conventions on labor standards, United Nations Global Compact (UNGC), The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, UN sustainable development goals (SDG) and the Social Accountability (SA) 8000 standard. All employees have access to the human rights e-learning, which describes the human rights principles and risks for the company. The company has made a provision, 'employees shall report any human rights risk or violation that might occur during projects, services and operations of the company. Human Rights performance are being monitored based on relevant indicators to evaluate and to prevent human rights impacts in all of the company's operations and workplaces.

The company's Human Rights and Social Policies specifically refer to the ILO core conventions as

the minimum to be achieved, with respect to non-discrimination, prohibition of child and enforced labor, freedom of association and the right to engage in collective bargaining. Raising awareness of human rights is one the company's nine sustainability objectives for 2014-2020. The United Nations (UN) guiding principles are central to ABB'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. In this reporting period, there have not been 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 right risks.

Integrity, transparency and accountability

The company's Code of Conduct is the framework that explains the behaviour the company expects of every employee and stakeholder who work with it. The Company Code of Conduct provides a framework to put business principles into practice with utmost integrity. It is a breach of the Company Code of Conduct to fail to report a violation or suspected violation that employees know about or to refuse to cooperate with the investigation of a suspected violation. Each employee is responsible for ensuring that his or her conduct and the conduct of anyone reporting to the employee fully comply with all applicable laws and the Company Code of Conduct.

The Group has developed and implemented a systematic approach designed to prevent, detect and resolve any potential integrity concerns. This is supported by tools and processes and a zero-tolerance policy for any violations. The Company's integrity program has created an environment where all its employees can be open about identifying risks, asking questions, and raising concerns.

The Company in line with the Group uses as systematic approach, designed to foster a culture of integrity and compliance. This is carried out through leadership and business accountability, supported by strong tools and processes, and a zero-tolerance policy for violations. As a part of the Group integrity program employees of the Company are not just encouraged but are required to speak up and to report any suspected or observed violations of the law, the ABB Code of Conduct, or if they are asked to do something that might be a violation. They are to report on any of their concerns initially to their direct management, country integrity officer, country human resources manager, ombudsperson, or alternatively, through country specific business ethics hotline numbers and e-mail which is routed to the

Company's Chief Integrity Officer (CIO). The Company's CIO along with the integrity team then work towards investigation, and resolution of issues reported there-in. The Company has multiple reporting channels available to all its employees/stakeholders and this includes an ABB Business ethics hotline (dial the country access code 000- 117, when you hear the recorded message, dial the number 800-662-7219, or email to: ethics.contact@ch.abb.com) that is available for employees to report integrity and compliance concerns or seek guidance. There are web- based reporting systems available for employee reporting. Stakeholder hotline for business partners are also available (+4143 317 33 66). All reports received are subjected to appropriate investigation, follow up, and brought to full closure; systematic process and tracking system and the Company enforces a rigorous non- retaliation policy.

The Company's Anti-Corruption Policy is stated explicitly in the Group directive on bribery and anti-corruption and emphasizes key components that are essential for ensuring strict compliance to anti-bribery laws but also refraining from corruption. The Company enforces a rigorous zero-tolerance policy against any involvement in bribery or corruption and has put in place robust policies to prevent bribery such as on gifts, entertainment and expenses, charitable contributions and representatives, and measures to ensure ethical supply chains.

The Company also ensures continuous compliance with competition and antitrust laws. The ABB Code of Conduct requires the Company to compete fairly, safeguard confidential information and be mindful of antitrust risks. The Company's behaviour within its teams, with customers, other business partners and in the communities where it operates, are guided by its business principles – respect, responsibility and determination – in compliance with antitrust requirements. The Anti-Trust Guidance Notes aim to address practical business situations and provide rules and guidance for all ABB employees on how to conduct themselves in order to comply with antitrust requirements.

The Company has an Internal Complaints Committee for the prevention of sexual harassment as a part of the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 that aims to provide protection against sexual harassment of women in the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected there with or incidentals thereto. The Company has Internal Complaints Committee at each location and establishments (all locations where more than 10 women are employed). There were no complaints received by the said committee of the Company in the year.

Community engagement

The ABB's Group's Social Policy was adopted in February 2001. The Social Policy focuses on ABB in society, human rights, children and young workers, freedom of engagement, health and safety, harassment and disciplinary practices, working hours, compensation, suppliers, community involvement and business ethics.

The policy is drawn principally on six sources:

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

The Company has its Corporate Social Responsibility (CSR) policy and framework for action along with clear focal areas against which community engagement projects are taken up predominantly in and around its factory locations. Being the first financial period, the Company was not required to spend any amount under CSR for financial period ended December 31, 2019.

Customer engagement

As a pioneering technology leader, the Company offers its customers products and solutions that improve operational and resource efficiencies and performance. The Company values and respects its customers and strives to meet and exceed their expectations. The Company adopts an outside-in perspective to understand the customer's interactions with ABB, reduce the customer's effort at each touchpoint and improve the customer experience.

During the period under review the Company hosted several meets, events and seminars to proactively engage with the customers. Transformer Days 2019 was held at the famed Laxmi Vilas Palace of Vadodara with the theme of 'Future of Energy'. In keeping with the theme, the two-day event included more than ten technical sessions, two customer voice sessions, factory visits and a dedicated exhibition hall to showcase our latest products- especially the digital portfolio. More than 200 customers from 11 countries attended the event and gained from the knowledge of our ten speakers from various product groups and verticals. The company also participated in various external trade shows like GRIDTECH 2019, IREE -2019 etc and showcased its products and solutions.

The Company also engages with customers through training – at customer sites or at the Company's dedicated training facilities. The training program integrated

best-in-class demonstrations and in-depth technical proficiency to upskill customer engineers, optimised their operations and made their business safer. During the period under review the Company at its state-of-the-art training centre called ABB Power Technology Experience Centre (ABB PowerTEC) trained more than 1,088 customers (27,640 total training hours) from 38 companies based over 6 countries. The courses covered topics related to, training and learning in futuristic and current power engineering, power automation and digital technologies.

Customer voice is an integral part of the Company's decision-making process. Since 2010, the Company has adopted the Net Promoter Score (NPS) survey to know how the Company is perceived by its customers. The customers response to the "recommend" question and the green card/red card feedback, tells the Company how it measures up to the customers' expectations, highlighting the areas where it has performed well and those where it needs to do better. The country relational NPS surveys are held once in two years. In the NPS survey carried out by the Company in 2018. The NPS score rose to 62.5%, an improvement of about 8.5 percentage points as compared to the previous survey.

In addition, the Company also uses transactional NPS surveys to get touch-point specific feedback to identify improvement measures. As transactional surveys are a leading indicator of customer loyalty, the intention is to continue to raise the bar by responding rapidly and decisively to real-time customer feedback from the Company's operational staff as soon as they occur.

The Company also has a cross- business unit initiative called Power Grids Customer Connect Centre (PG-CCC) to enhance the Company's set-up and performance with respect to inquiry handling, thereby contributing to improved customer experience and satisfaction. The initiative comprises a country-level Customer Connect Centre which provides an easy-to-reach contact point for those customers and other business partners who do not know where to turn to. The Customer Connect team receives inquiries – which can be of any kind for any product, system or service – and routes them to the business units or functions in the Company for their response and resolution. The Customer Connect team is available 24/7, 365 days and can be accessed via an all-India toll-free telephone number (000 800 919 0400), email (power-grids@abb.com) for web inquiries. The Customer Connect Centre will soon gear up with live chat function and will also route inquiries through customer portal. The Customer Connect team does not replace but complements existing channels between a customer and the Company's business units and functions.

The capture and management of customer dissatisfaction is key to building customer relationship and the improvement of Company's products, systems and services. In terms of addressing any customer issues with

the Company's products, systems and services, the Company has a set process called the Customer Care Response Process (CCRP). Most of the Company's customers deal with more than one business unit in the Company. CCRP channels customer care topics and improves customer satisfaction by providing a single Company-wide common process and tool. It captures, documents, performs root cause analysis and ensures resolution in a timely and qualitative manner of any kind of customer dissatisfaction. Customers are also given the opportunity to confirm if they were satisfied with the solution provided and the way it was handled.

Links to policies and programs

Sustainability (ABB Group):

<http://new.abb.com/sustainability>

ABB Policy on Health, Safety, Environment, Security and Sustainability:

<https://new.abb.com/sustainability/abb-policy-on-health-safety-environment-security-and-sustainability>

HSE Policy (Company):

http://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster_24-x-32-in_v5.pdf?sfvrsn=2

Social Policy (ABB Group):

<http://new.abb.com/sustainability/social-policy>

Human Rights Policy & Statement (ABB Group):

<http://new.abb.com/sustainability/human-rights-policy-and-statement>

Corporate Social Responsibility Policy (Company):

<http://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility>

Sexual harassment of women at the workplace Policy (Company)

<https://new.abb.com/docs/librariesprovider19/default-document-library/policy-on-sexual-harassment-of-women-at-workplace.pdf?sfvrsn=2>

Code of Conduct (Company):

<http://www.abb.co.in/cawp/abbzh252/45f145dc6cfc01cac12579b500315ed3.aspx>

Supplier Code of Conduct (ABB Group):

<http://new.abb.com/about/supplying/code-of-conduct>

Supplier Sustainability Development Program (ABB Group):

<http://new.abb.com/about/supplying/sustainability>

Corporate Governance (Company):

<https://new.abb.com/grid/appsil/investors-section>

Integrity Program (ABB Group):

<http://new.abb.com/about/integrity>

ABB Whistle-blower - Protection Policy (Company):

<https://global.abb/group/en/about/integrity/reporting-channels/whistleblower-protection-policy>

Business Responsibility Report 2019 (As per Regulation 34 (2) (f) of the Listing Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity (CIN) of the Company	U31904KA2019PLC121597
2	Name of the Company	ABB Power Products and Systems India Limited
3	Registered address	8th Floor, Brigade Opus, 70/401 Kodigehalli Main Road, Bengaluru-560092
4	Website	https://new.abb.com/grid/appsil
5	e-mail id	in-investorhelpdesk_appsil@abb.com
6	Financial period reported	19.02.2019 TO 31.12.2019
7	Sector(s) that the Company is engaged in (industrial activity code wise)	1 Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus - 271
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1 High Voltage Switchgears of all types 2 Transformers 3 Grid Automation products & systems
9	Total number of locations where business activity is undertaken by the Company	16 factories
	A Number of International Locations (provide details of major 5):	NIL
	B Number of National locations:	16 factories in 5 locations and 17 sales offices as on December 31, 2019
10	Markets served by the Company - Local/State/National/International	Asia, Middle East, Africa, Europe and Americas

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	8.48 crores
2	Total Turnover (INR)	3,231.21 crores
3	Total profit after taxes (INR)	165.89 crores (after considering other comprehensive income)
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	Not Applicable
5	List of activities in which expenditure in 4 above has been incurred	Refer CSR report attached to the Directors' Report

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/Companies?	No
2	Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	NA
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	This assessment has been undertaken by the Transferor Company

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of Director/Directors responsible for implementation of the BR policy/policies

1	DIN Number	07032076
2	Name	Venu Nuguri
3	Designation	Managing Director*

*appointed as Director and Managing Director w.e.f. December 2, 2019.

(b) Details of the BR Head

No.	DIN Number (if applicable)	NA
1	Name	Chakravarthi Arun
2	Designation	Country HSE
3	Telephone number	080-2204 1800
4	e-mail id	chakravarthi.arun@in.abb.com

2. Principle –wise (as per National Voluntary Guidelines - NVGs) BR Policy/policies

(a) Details of compliance (Reply inY/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1 Environment, Health and Safety Policy P2 Corporate Social Responsibility Policy P3 Sexual Harassment of Women at the Workplace Policy P4 Anti-Corruption Policy P5 Whistle Blower Protection Policy P6 Group Social Policy P7 Group Human Rights Policy P8 ABB's Code of Conduct P9 ABB Supplier Code of Conduct								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Few of the policies have been approved by the Board and other Group policies are adopted by the Company.								
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy	The Company has a committee for CSR and Sexual Harassment of Women at the Workplace. For the other policies, the Company has adequate internal control on its implementation.								
6	Indicate the link for the policy to be viewed online?	Please refer to the section on 'Links to the Company Policies and Programs' section of the detailed BRR document								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	No. It is planned to be done within 1 year.								
8	Does the company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No. Since this being the first year of operation of after incorporation and demerger of PowerGrids business								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NA								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principle	NA								
3	The company does not have financial or manpower resources available for the task	NA								
4	It is planned to be done within next 6 months	NA								
5	It is planned to be done within the next 1 year	NA								
6	Any other reason (please specify)	NA								

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Being the first financial period, the Company was not required to review and assess for financial period ended December 31, 2019
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Being the first financial period, the Company was not required to publish a BR or a Sustainability Report for FY 2018

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1		
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	No. It extends to the Group/Joint Ventures, Suppliers, Contractors, NGOs and Others.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	NIL, Ever since the allotment of equity shares was made on December 24, 2019, no complaints were received upto December 31, 2019
Principle 2		
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	(a) Gas insulated switch gear (b) Ester filled transformers (c) Dry type distribution transformers
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	Life Cycle Analysis (LCAs) have been conducted for products such as power transformers, breakers, gas insulated switchgears, current relays, etc. and these also have environmental product declarations (EPD)
	(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?	Not available
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not available
3	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes. The Company has set procedures to select suppliers, contractors and service providers based on their competence and capability to undertake tasks and in compliance with the ABB's Supplier Code of Conduct which includes health & safety, environment, ethics & integrity, human rights, working conditions among others. As a guiding principle the Company prefers to do business with compliant and sustainable suppliers. The Company has set procedures in place for sustainable transportation as well. At the time of qualification to become an ABB supplier, the vendor is assessed across sustainability matrix. The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The goal of the SSDP is to ensure compliance with the Supplier Code of Conduct, to support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain. In the scope of this program, the Company trained both suppliers and Company employees, and carried out supplier audits to identify improvement in the areas of general management, working hours, remuneration, social benefits, health and safety, environmental protection etc. Yes. The Group directive specifically for Sourcing Transport & Logistics service is a guidance document that the Company follows. Among many other stringent criteria that the supplier is evaluated upon, key sustainability aspects that are reviewed for selection include: HSE policy and training programmes of the vendor, compliance to internal and external certification of the operations staff of the vendor for HSE training to ensure their HSE competencies prior to commencement of work, compliance to PPE requirement, certification of all safety tools, equipment by third party and to check if the vendor is in compliance with all the governmental environmental regulations, energy performance improvement and Carbon footprint initiatives. There are also stringent qualifications across ABB's Human Rights policy, training, and adherence to ABB's RoHS, REACH compliance and to ABB List of Restricted and Prohibited Substances for supplier qualification.
	(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	All of the Company's vendors mandatorily go through a stringent evaluation and qualification criteria before they are registered with the Company. The qualification procedures include all aspects of sustainability performance.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work	Yes. Businesses do have their list of local suppliers. However, the Company has moved towards a centralized procurement team and all of its vendors and suppliers need to meet with the set of qualification requirements of the Company.
	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company has analysed and identified the most common issue of its suppliers as "limited knowledge in legal requirements related to factory" during sustainability assessments. Training materials on relevant local laws and information has been made available to the participants of the SSDP.

5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or s	Yes. Greater than 10%
Principle 3		
1	Please indicate the total number of employees	Permanent employees: 2,200
2	Please indicate the total number of employees hired on temporary/contractual/casual basis	New employees added in the year: 11* Apprentice/Interns/Trainees: 385 Contract employees: 219
3	Please indicate the number of permanent women employees	129
4	Please indicate the number of permanent employees with disabilities	15
5	Do you have an employee association that is recognized by management?	YES
6	What percentage of your permanent employees are members of this recognized employee association?	27%
7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	There were no complaints relating to child labour, forced labour, sexual harassment during the period

* from April 1, 2019 to December 31, 2019

No.	Category	No of complaints filed during the financial year	No of complaints filed pending at end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	Nil
2	Sexual harassment	NIL	Nil
3	Discriminatory employment	NIL	Nil
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Yes. All the Company's employees underwent safety related training and skill upgradation on a periodical basis.	
	(a) Permanent Employees	During the period under review over 15,000 manhours of training imparted to permanent employees	
	(b) Permanent Women Employees		
	(c) Casual/Temporary/Contractual Employees	This category of employees is 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. During the period under review 10,000 manhours were clocked for contractor safety trainings	
	(d) Employees with Disabilities	Training on various aspects are given to employees including persons with disabilities	
Principle 4			
1	Has the company mapped its internal and external stakeholders? Yes/No	Yes.	
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Yes. The Company has identified vulnerable groups who are targeted for Corporate Social Responsibility (CSR)	
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so	Being the first financial period, the Company was not required to spend any amount under CSR for financial period ended December 31, 2019	
Principle 5			
1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	No. It is applicable to all – Group, Joint Ventures, Suppliers, Contractors, NGOs and Others	
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	Nil	

Principle 6		
1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?	No, It is applicable to all – Group, Joint Ventures, Suppliers, Contractors, NGOs and Others
2	Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc	Yes. https://new.abb.com/betterworld/how-abb-technology-mitigates-climate-change ABB Group's recent (July 2019) statement on Climate Change and Global Warming: https://new.abb.com/sustainability/environment/abb-statement-on-climate-change-and-global-warming
3	Does the company identify and assess potential environmental risks? Y/N	Yes
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc	Yes. https://new.abb.com/news/detail/4482/abb-ability-supports-indias-clean-energy-future
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported	Yes
7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	NIL
Principle 7		
1	Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with:	No. We are in the process of enrolment with the following bodies. (a) Confederation of Indian Industries (CII) (b) Manufacturers' Association (IEEMA) (c) Federation of Karnataka Chambers of Commerce and Industry (d) Swiss Chamber of Commerce (e) Bangalore Chamber of Industry and Commerce
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No
Principle 8		
1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has a CSR policy and activities are on 5 key focal areas for its social development projects.
2	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?	Being the first financial period, the Company was not required to spend any amount under CSR for financial period ended December 31, 2019
3	Have you done any impact assessment of your initiative?	NA
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Being the first financial period, the Company was not required to spend any amount under CSR for financial period ended December 31, 2019
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Being the first financial period, the Company was not required to spend any amount under CSR for financial period ended December 31, 2019
Principle 9		
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	NIL
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/NA/Remarks (additional information)	No.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your company carry out any consumer survey/consumer satisfaction trends?	Yes

Notice to the Members

NOTICE is hereby given that the FIRST ANNUAL GENERAL MEETING of the Members of ABB Power Products and Systems India Limited ("the Company") will be held on Thursday, August 13, 2020 at 11.00 am (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") including remote e-voting process to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at 8th Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru - 560092.

Ordinary Business:

Item No. 1 – Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon.

To receive, consider and adopt the financial statements, namely, (i) the Audited Balance Sheet as at December 31, 2019, (ii) the Audited Profit & Loss Account for the financial period ended December 31, 2019, (iii) the Cash Flow Statement for the financial period ended December 31, 2019, (iv) statement of changes in Equity, if any, (v) an Explanatory Note annexed to, or forming part of, the documents referred to in (i) to (iv) above and the Reports of Board of Directors and the Auditors thereon.

Item No. 2 – Appointment of a Director

To appoint a Director in place of Mr. Sanjeev Sharma (DIN: 07362344), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Item No. 3 – Appointment of Statutory Auditors for a term of 5 years

To consider and, if thought fit, to give your assent or dissent to the following **Ordinary Resolution:**

"RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004), be and is hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting to hold such office for a

period of 5 years till the conclusion of 6th Annual General Meeting at a remuneration of INR 1,25,00,000/- (Rupees One Crore and Twenty Five Lakhs only) for FY 2020 plus applicable taxes in connection with the statutory audit of the Company and related services.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board of Directors
For ABB Power Products and Systems India Limited

Poovanna Ammatanda
General Counsel & Company Secretary
FCS-4741

Place: Bengaluru
Date: July 20, 2020

Registered Office:
8th Floor, Brigade Opus 70/401
Kodigehalli Main Road
Bengaluru - 560092
CIN: U31904KA2019PLC121597
Phone: 080 2204 1800

Notes:

1. This AGM is convened through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") pursuant to General Circular numbers 14/2020, 17/2020 and 20/2020, dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI (hereinafter collectively referred to as 'Circulars'), which allow the companies to hold AGMs through VC/OAVM.
2. In compliance with the aforesaid Circulars, this AGM Notice along with the Annual Report for the financial period ended December 31, 2019 is sent only through electronic mode to those Members whose E-mail addresses are registered with the Company/Depositories. The AGM notice and Annual Report of the Company are made available on the Company's website at <https://www.hitachiabb-powergrids.com/in/en> and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com and National Stock Exchange of India Limited - www.nseindia.com. The Company has published a

- Public Notice by way of advertisement in Kannada Language, the principal vernacular language of Karnataka and in English language in an English newspaper with the required details of 1st AGM for information of the Members.
3. The Company has availed the services of KFin Technologies Private Limited, (KFintech) Registrar and Transfer Agent of the Company, as the authorised agency for conducting of the AGM through VC/OAVM and providing e-voting facility
 4. Though a Member entitled to attend and vote at the meeting, is entitled to appoint one or more proxies (proxy need not be a member of the company to attend and vote instead of himself/herself), the facility of appointment of Proxies is not available as the AGM is convened through VC/OAVM.
 5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 6. In case of joint holders only such joint holder who is higher in the order of names will be entitled to vote during the meeting.
 7. The statement pursuant to Section 102 of the Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) 2015, setting out the material facts concerning ordinary business at Item No 3 is annexed hereto.
 8. The Register of Members and the Share Transfer Books of the Company will remain closed from August 7, 2020 to August 13, 2020 (both days inclusive) for the purpose of annual general meeting.
 9. It may be noted that the Company is not proposing any dividend for financial period ended December 31, 2019. Also, this being the first financial period, 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. Also, 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 with the Company or in IEPF account. Pursuant to the Scheme of Arrangement (Demerger), for the shares that were allotted directly to IEPF account, the concerned Members/claimants may claim the shares by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
 10. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents at the address mentioned above or to their respective Depository Participant ("DP") in case the shares are held in dematerialized form.
 11. It is in the interest of Members to register their bank details against their account for receiving the credit of dividend (whenever declared in future) directly to their bank account through electronic means. 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 National Electronic Clearing Service (NECS)/Electronic Clearing Service (ECS) they should submit their NECS/ECS details to the Company's Registrar and Share Transfer Agents (RTA) in case of holding shares in physical form and in case Members holding shares in electronic form, they may submit the NECS/ECS details to their depository participant. The National Electronic Clearing Service (NECS)/Electronic Clearing Service (ECS) form is available with RTA and Depository Participant.
 12. As a part of the green initiatives, the Members who have not yet registered their E-mail addresses are requested to register their E-mail addresses with their DPs in case the shares are held by them in electronic form and with KFintech in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/RTA will be sent to the registered E-mail address.
 13. As required by Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant detail of Director seeking re-appointment at this Annual General Meeting is given in the annexure to the Notice of the Annual General Meeting.
 14. The members/investors may send their complaints/queries, if any to the Company's Registrar and Share Transfer Agents' E-mail id: einward.ris@kfintech.com or to the Company's designated/exclusive E-mail in-investorhelpdesk_appsil@abb.com
 15. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in demat form, the nomination form may be filed with the respective DP.

16. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice.
17. All documents referred in the accompanying Notice and Statement setting out material facts will be available electronically for inspection for Members on all working days between 10.00 a.m. and 12.00 noon up to Thursday, August 13, 2020 being the date of the Annual General Meeting. Members seeking to inspect such documents can send an E-mail to in-investorhelpdesk_appsil@abb.com
18. Updation of Members' details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, E-mail address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or KFinTech, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.
19. Since the AGM being held through VC/OAVM, the Route Map, Attendance Slip and proxy form are not attached to this Notice.
20. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM AND VIEWING WEBCAST OF AGM:
- i. Members will be able to attend the AGM through VC/OAVM or view the live Webcast of AGM at <https://emeetings.kfintech.com> / by using their remote e-voting login credentials;
 - ii. After logging, go to Video Conference Tab and click on camera icon appearing against AGM event of ABB Power Products and Systems India Limited.
 - iii. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.
 - iv. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.
- v. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' tab available on the screen after log in. The Speaker Registration will be open during August 10, 2020 from 9.00 am IST upto August 11, 2020 5.00 pm IST. Only those members who are registered will be allowed to express their views or ask questions. Alternatively members may also write to Company at in-investorhelpdesk_appsil@abb.com before 5.00 PM on August 11, 2020. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
 - vi. Facility of joining the AGM through VC/OAVM shall be available for 1000 members on first-come-first-served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first-come-first served basis.
 - vii. Members of the Company under the category of Institutional Investors are encouraged to attend the AGM and vote at the AGM, if not already voted remotely.
 - viii. Members who need assistance before or during the AGM may contact Ms. C Shobha Anand, Deputy General Manager, KFin Technologies Private Limited Tel +91 40 6716 2222 or Toll Free No.: 1800-345-4001; or send an E-mail request to shobha.anand@kfintech.com or evoting@kfintech.com
21. E-Voting:
- 1 In compliance with the provisions of Section 108 of the Companies Act, 2013 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 Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFin Technologies Private Limited (KFinTech) on all resolutions set forth in this Notice.
 - 2 The remote e-voting period commences at

9.00 a.m. IST on Monday, August 10, 2020 and ends at 5.00 p.m. IST on Wednesday, August 12, 2020. 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., Thursday, August 6, 2020, may cast their vote electronically in the manner and process set out hereinabove. 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 Instructions for Remote E-voting are as under:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e. user ID and password). In case of physical folio, user ID will be EVEN number 5395 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 KFinTech for remote e-voting, you can use your existing user ID and password for casting your 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 or get 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 "EVENT" i.e., ABB Power Products and Systems India Limited.
- 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 hereinabove. You may also choose the option ABSTAIN. If the shareholder 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. Shareholders 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, 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., to attend the AGM through VC/OAVM on its behalf together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at E-mail cs.skannan@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "ABB Power Products and Systems India Limited 1st Annual General Meeting".

4 Instructions for Members for Voting during the AGM:

i. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.

ii. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.

iii. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The Members shall be guided on the process during the AGM.

- iv. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
22. Procedure for registering the E-mail addresses and obtaining the AGM Notice, Annual Report and e-voting user ID and password by the Members whose E-mail addresses are not registered with the Depositories (in case of Members holding shares in Demat form) or with KFintech (in case of Members holding shares in physical form).
- I. Those Members who have not yet registered their E-mail addresses are requested to get their E-mail addresses registered by following the procedure given below:
- a) Members holding shares in demat form can get their E-mail ID registered by contacting their respective Depository Participant.
- b) Members holding shares in physical form may register their E-mail address and mobile number with Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an E-mail request at the E-mail ID einward.ris@kfintech.com alongwith signed scanned copy of the request letter providing the E-mail address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate.
- II. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with KFintech for registration of E-mail addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their E-mail address to the Depository Participant or KFintech are required to provide their E-mail address to KFintech, on or before 5:00 p.m. (IST) on August 6, 2020.
- a) Visit the link: https://ris.kfintech.com/email_registration
- b) Select the Company name viz. ABB Power Products and Systems India Limited
- c) Enter the DP ID & Client ID/Physical Folio Number
- d) Enter the PAN details
- e) Enter your E-mail address and Mobile Number
- f) The system will then confirm the E-mail address for receiving this AGM Notice.
- III. After successful registration of E-mail address, KFintech will send by E-mail, the AGM Notice, Annual Report and e-voting user ID and password to the Members.
23. Procedure to be followed by the Members updation of bank account mandate for receipt of dividend (whenever declared in future):
- I. Send a request to KFintech at einward.ris@kfintech.com by providing the following details:
- a) Folio No., Name of the Member/s;
- b) Name and Branch of the Bank in which you wish to receive the dividend;
- c) the 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.
24. Other Instructions:
- i. In case of any queries, you may refer Help & FAQ section of <https://evoting.karvy.com> or call KFintech on 040-67162222 and Toll-Free No. 1800 3454 001.
- ii. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date, i.e. Thursday, August 6, 2020 may obtain the login ID and password by sending a request at evoting@karvy.com.
- iii. However, if you are already registered with KFintech 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.karvy.com> or call KFintech on 1800 3454 001 / 040-67162222.
- iv. 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. Thursday, August 6, 2020.
- v. The Board of Directors has appointed Mr. S Kannan, (Membership No. FCS 6261/CP No. PCS13016), Practicing Company Secretary and in his absence Mr. B L Vinay, Practicing Company Secretary, Bengaluru, (Membership No. A26638 and CP No. PCS 10760) as the Scrutinizer to

scrutinize the voting process in a fair and transparent manner.

- vi. 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 48 hours 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.
- vii. 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 favor thereof.

- viii. Promptly after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website at <https://www.hitachiabb-powergrids.com/in/en> and on the KFinTech's website at <https://evoting.karvy.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.
- ix. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

Information at a glance

Particulars	Information
Time and date of AGM	Thursday, August 13, 2020 at 11:00 am
Mode	Video conference and other audio-visual means
Participation through video conferencing	Refer instructions above
Helpline number for VC participation	Tel +91 40 6716 2222 or Toll-Free No.: 1800-345-4001
Webcast and transcripts	https://www.hitachiabb-powergrids.com/in/en
Cut-off date for e-voting	Thursday, August 6, 2020
E-voting start time and date	Monday, August 10, 2020 at 9:00 am (IST)
E-voting end time and date	Wednesday, August 12, 2020 at 5:00 pm (IST)
E-voting facility during the AGM	Members who have not exercised voting through remote e-voting can exercise voting during and immediately after the conclusion of AGM
E-voting website of KFinTech	URL: https://evoting.karvy.com
Name, address and contact details of Registrar and Transfer Agent and e-voting service provider	Shobha Anand Deputy General Manager KFin Technologies Private Limited, Tower B, Plot 31-32, Financial District, NanakramgudaSerilingampally, Mandal, Hyderabad 500 032. Contact details: e-mail id: shobha.anand@kfintech.com ; einward.ris@kfintech.com ; Contact number: +91 40 6716 1559

By Order of the Board of Directors
For ABB Power Products and Systems India Limited

Poovanna Ammatanda
General Counsel & Company Secretary
FCS-4741

Place: Bengaluru
Date: July 20, 2020

Registered Office:
8th Floor, Brigade Opus 70/401
Kodigehalli Main Road
Bengaluru - 560092
CIN: U31904KA2019PLC121597
Phone: 080 2204 1800

Explanatory statement

Annexed to the Notice convening the 1st Annual General Meeting of the Company to be held on Thursday, August 13, 2020

Item No 3

- a. Proposed fees payable to the statutory auditor along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), were appointed as the First Statutory Auditors of the Company from the date of incorporation i.e. February 19, 2019 till conclusion of first AGM of the Company. Accordingly, their term is expiring at this ensuing 1st Annual General Meeting. The present remuneration of M/s. B S R & Co. LLP, Chartered Accountants for conducting the audit for the financial period ended December 31, 2019, as approved by the Board of Directors is INR 1,57,00,000/- (Rupees One crores and Fiftyseven lakh only) including reimbursement of out-of-pocket expenses but excluding applicable taxes for conducting statutory audit for financial period ended December 31, 2019 to be paid to Statutory Auditors. This fee included INR 22,50,000/- (Rupees Twentytwo lakh fifty thousand only) towards one-time additional fee to cover demerger related certification and other efforts.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), has recommended for the approval of the Members, the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004) as Statutory Auditors, for a period of 5 years, to hold office from the conclusion of 1st Annual General Meeting until the conclusion of 6th Annual General Meeting. On the recommendation of the Audit Committee, the Board has also recommended for the approval of the Members, the remuneration of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants for the financial year 2020 as set out in the Resolution relating to their appointment.

It is proposed to pay remuneration of INR 1,25,00,000/- (Rupees One crore Twentyfive lakh only) for FY 2020 and upto the conclusion of second Annual General Meeting. The aforesaid fee is inclusive of out-of-pocket expenses but does not include applicable taxes. The aforesaid fee will be for performing statutory audit, limited review, tax audit (including audit of tax financial) and group audit.

- b. Basis of recommendation for appointment including the details in relation to and credentials

of the statutory auditor(s) proposed to be appointed.

Consequent to the expiry of the term of M/s. B S R & Co. LLP, Chartered Accountants as Statutory Auditors, the Board of Directors, on recommendation of the Audit Committee proposed to appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company effective from conclusion of First Annual General Meeting to hold such office for a term of 5 years till the conclusion of 6th Annual General Meeting. The Company has received consent from M/s. S.R. Batliboi & Associates LLP, Chartered Accountants under Sections 139 and 141 of the Companies Act, 2013 confirming their eligibility to be appointed as Statutory Auditors of the Company.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s. S.R. Batliboi & Associates LLP, Chartered Accountants to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

Members are requested to consider the same and accord their approval towards appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company for a term of five years.

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 set out at Item No. 3 of the Notice.

By Order of the Board of Directors
For ABB Power Products and Systems India Limited

Poovanna Ammatanda
General Counsel & Company Secretary
FCS 4741

Place: Bengaluru
Date: July 20, 2020

Annexure to AGM Notice

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT AT THE 1ST ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015]

Name of the Director	MR SANJEEV SHARMA
DIN	07362344
Date of Birth and age	November 10, 1965, 54 years
Nationality	Indian
Date of Appointment on the Board	February 19, 2019
Qualifications	Graduate in Electronics and Telecommunications Engineering and Executive Masters Degree in Business Administration
Expertise in specific functional area	Power grids business and refer information mentioned below
Number of shares held in the Company	NIL
List of the directorships held in other companies	1 ABB India Limited 2 ABB Global Industries and Services Private Limited 3 Swedish Chamber of Commerce India 4 ABB Substations Contracting India Private Limited
Chairman/ Member in the Committees of the Boards of other companies in which he is Director*	1 Member of Stakeholders Relationship Committee of ABB India Limited
Number of Board Meetings attended during the financial period 2019**	8
Relationships between Directors inter-se	NA
Remuneration details (Including Sitting Fees & Commission)	Not drawing any remuneration or commission or sitting fees in the capacity of Director from ABB Power Products and Systems India Limited.
Details of remuneration sought to be paid	Not applicable
Occupation	Service
Brief profile	Sanjeev Sharma is a Non-Executive Director of the Company. He has pursued management programs from IMD Switzerland and INSEAD Singapore. He is the Managing Director of ABB India Limited and also responsible for ABB footprint in Bangladesh & Sri Lanka. He is the Chairman and Managing Director of ABB Global Industries and Services Private Limited. He has managed in his 30 year ABB tenure various Global business leadership roles including leading a Global Business Unit for ABB with base in Switzerland, Germany, Malaysia and now leading ABB in India. He is a director of Swedish Chamber Of Commerce India, ABB Bangladesh and ABB Srilanka. He brings extensive experience in industrial automation and electrification across market segments and geographies and has led several successful change management initiatives across global operations.

* Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not) excluding that of ABB Power Products and Systems India Limited. Directorships in foreign companies, membership in governing councils, chambers and other bodies, etc has not been provided.

The aforesaid Director is not related to any other Director.

**captured from the time of his appointment till the financial period ended December 31, 2019.

By Order of the Board of Directors
For ABB Power Products and Systems India Limited

Poovanna Ammatanda
General Counsel & Company Secretary
FCS-4741

Place: Bengaluru
Date: July 20, 2020

Directors' Report

Your Directors have pleasure in presenting their first annual report and audited accounts for the financial period ended December 31, 2019.

1. Financial results:

Particulars	(Amount in INR Crores)
	19.2.2019 to 31.12.2019*
Revenue from operations	3,230.74
Other income	0.47
Total income	3,231.21
Less: expenses	2,894.98
Profit before depreciation, finance costs, exceptional items and tax expense	336.23
Less: Depreciation/Amortisation/Impairment	48.41
Profit/loss before finance costs, exceptional items and tax expense	287.82
Less: Finance costs	26.38
Profit before exceptional items and tax expense	261.44
Add/(less): Exceptional items	(40.79)
Profit before tax expense	220.65
Less: Tax expense (current & deferred)	55.26
Profit for the year (1)	165.39
Other comprehensive income (2)	0.50
Total (1+2)	165.89
Balance of retained earnings transferred pursuant to the scheme of arrangement	149.93
Less: Transfer to debenture redemption	-
Reserve Less: Transfer to reserves	-
Less: Dividend paid on equity shares	-
Dividend paid on preference shares	-
Dividend distribution tax	-
Balance carried forward	315.82

*Since your Company was incorporated on February 19, 2019, previous year figures are not applicable

2. Performance review:

During the financial period ended December 2019, orders touched INR 2,641.9 crore. The orders witnessed a healthy growth reflecting the technology push and continued traction in transformers and system integration. The order backlog at the end of the year stood at INR 5,100.7 crore which continued to provide visibility to the future revenue streams. The revenue from operations for your Company for the financial period ended December 2019 stood at INR 3,231.2 crore, reflecting stability of operations in an uncertain market situation. Profit before tax was at INR 220.65 crore mainly due to operational efficiencies. Net profit after tax was at INR 165.39 crore. Consequently, the earnings per share for the financial period ended December 31, 2019 stood at INR 44.69.

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

3. COVID-19:

Your Company has been responding to the COVID-19 pandemic by looking after its entire eco-system of employees, customers and suppliers, with focus on health awareness and safety measures. As a responsible corporate citizen, your Company has always maintained strict adherence to the direction/guidelines of central, state and local authorities. In accordance with the order of Ministry of Home Affairs' for national lockdown from March 25, 2020, operations across plants, project sites and offices were closed. Your Company will resume operations as

may be permitted by various governing authorities. While your Company has made every effort to swiftly adapt to the new norm, the closures will likely have an impact on its performance which can only be gauged in the quarter ending June 30, 2020.

4. Dividend:

This being the first year of business operation and consequent to the demerger of Power Grids Business, your Directors have not recommended any dividend for the period ended December 31, 2019.

5. Scheme of Arrangement:

A Scheme of Arrangement ("Scheme") was entered into between (i) ABB India Limited ("INABB"/"Transferor") (a subsidiary of your Company's Promoter, ABB Asea Brown Boveri Ltd) and (ii) your 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, which provided for inter alia the Demerger of the Power Grids Business of INABB ("Demerged Undertaking") and the consequent issuance of equity shares by the Company to the shareholders of INABB as per the Share Entitlement Ratio.

The Scheme was approved by your Board of Directors pursuant to its resolution dated March 5, 2019 and the Board of Directors of INABB pursuant to its resolution dated March 5, 2019. Pursuant to an order dated June 27, 2019, passed by the National Company Law Tribunal, Bengaluru Bench, ("NCLT"), meetings of the equity shareholders and the creditors of INABB were convened. The equity shareholders and the creditors of INABB approved the Scheme at court convened meetings, each held on August 9, 2019. The NCLT approved the Scheme on November 27, 2019. The Appointed Date of the Scheme was April 1, 2019 and the Effective Date was December 1, 2019.

The Scheme provided for the transfer by way of a demerger of the Demerged Undertaking and the consequent issue of equity shares by the Company to the shareholders of INABB in accordance with the Share Entitlement Ratio, and various other matters consequential or integrally connected therewith, including the re-organisation of the share capital of the Transferee, pursuant to Sections 230 to 232 of the Companies Act, 2013, the SEBI circulars and in compliance with the Income Tax Act, 1961

6. Board of Directors' response to observations, qualifications and adverse remarks in Auditor's Report

The Statutory Auditors ("Auditors") have qualified their opinion in relation to the matters specified in

Notes 37 of the Financial Statements for the period ended December 31, 2019 ("Statements").

The Board's responses to the qualifications and other observations or adverse remarks are as follows.

- a. **Qualified Opinion:** We have audited the financial statements of ABB Power Products and Systems India Limited ("the Company"), which comprise the balance sheet as at 31 December 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from February 19, 2019 (date of incorporation) to December 31, 2019 ("the period"), and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 December 31, 2019, and its profit and other comprehensive income, changes in equity and its cash flows for the period.

- b. **Basis for Qualified Opinion:** We draw attention to Note 37 to the financial statements regarding the Scheme of Arrangement ('Scheme') for demerger of the power grid business of ABB India Limited with the Company. The scheme of arrangement ("Scheme") as envisaged and 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, which provided for inter alia the Demerger of the Power Grids Business of INABB ("Demerged Undertaking"), with an appointed date of April 1, 2019, has been approved by the National Company Law Tribunal ('NCLT') vide its order dated November 27, 2019 and a certified copy has been filed by the Company with the Registrar of Companies, Bangalore, on December 1, 2019. As per the applicable accounting standard Ind AS 103, since this demerger is a common control business combination, the financial information necessitates restatement by the transferee at carrying amounts not from the appointed date but from the beginning of the preceding period in the financial statements which happens to be the

date of incorporation i.e. February 19, 2019. Consequentially, the Company is required as per Ind AS 103 to give effect to the business combination from February 19, 2019 (date of its incorporation). However, the Company has recognized the impact of the business combination only from April 1, 2019 (i.e. the appointed date specified in the scheme). Accordingly, we are unable to comment on the resultant impact on the Company's statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from February 19, 2019 to March 31, 2019. However, there is no impact of the same on the Company's balance sheet as at December 31, 2019.

- c. Board's response to qualification in Auditor's Report: The Statutory Auditors ("Auditors") have qualified their opinion in relation to the matters specified in Notes 37 of the Financial Statements for the period ended December 31, 2019 ("Statements"). The Board's responses to the qualifications are as follows.

The management has taken note of the basis for qualified opinion of the Auditors and believes that due to incoherence between the appointed date i.e., April 1, 2019 and date of incorporation i.e. February 19, 2019 and auditors opinion on Ind AS 103 such a one off situation has arisen. Further, in addition to what has been stated in Note 37 of the Statements, we wish to state that in anticipation of reorganisation of ABB India Limited's business by way of said Scheme, the Company was incorporated. Such date of incorporation is not in control of the Company. The Registrar of Companies issued the certificate of incorporation on February 19, 2019. The management confirms that, during the period between February 19, 2019 and March 31, 2019, no active business was undertaken other than the initial paid up share capital. In light of the above, there is no impact on the financial statements of the Company as at December 31, 2019 as affirmed by the Auditors.

7. Change in the financial year:

Your Company was incorporated on February 19, 2019 with first financial year commencing on February 19, 2019 and ending on March 31, 2020. Your Company subsequently made an application to the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad on November 5, 2019 to change your Company's first financial year from February 19, 2019 to December 31, 2019. Pursuant to an order bearing no. F.No:10/19/Karnataka/RD (SER)/2(41) of 2013/2019/6328 dated December 12, 2019, passed by the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad the Company's financial

year commences on January 1 and ends on December 31 of a given year.

8. Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the year and till the date of this report and disclosures:

Other than those mentioned in this Report, there have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial period to which the financial statements relate and the date of this Report.

9. Extract of Annual Return:

As per provisions of Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the extract of the Annual Return in the Form MGT-9 is given in Annexure – B, forming part of this report.

10. Board Meetings held during the period:

During the financial period under review, nine (9) meetings of the Board of Directors were held. The Company re-constituted the Board and has appointed independent directors. The details of the meetings are furnished in the Corporate Governance section forming part of this report.

11. Independent directors and compliance on criteria of independence by the independent directors

The following independent directors were appointed during the period under review and the Board is of the view that they have adequate expertise, experience and proficiency.

Mr. Mukesh Butani holds a bachelor's degree in commerce from Mumbai University. He is a certified chartered accountant from the Indian Institute of Chartered Accountants. He founded BMR Legal Advocates, a tax law firm in India. He has expertise in taxation laws.

Ms. Akila Krishnakumar is an alumna of Birla Institute of Technology and Sciences. She was previously the president – global technology and country head of Sun Gard, which was acquired by Fidelity National Information Services, Inc. She has expertise in diverse business profiles.

Ms. Nishi Vasudeva holds a bachelor's degree in economics from Delhi University and is an alumna of Indian Institute of Management, Calcutta. She was the Chairman and Managing Director of Hindustan Petroleum Corporation

Limited till March 2016. She has expertise in diverse business profiles.

All independent directors of the Company have given declarations to the Company under Section 149 (7) of 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). 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, 2019. During the financial period, a separate meeting of the independent directors was not required to be held as Board was re-constituted and independent directors were appointed w.e.f. December 24, 2019.

12. Nomination and Remuneration Policy of the Company:

The Board of Directors have constituted a Nomination and Remuneration Committee ("NRC") on December 24, 2019. The Remuneration Policy of the 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://new.abb.com/grid/appsil/investors-section/board-of-directors>.

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 – C, forming part of this report.

13. Dividend distribution policy:

As required under Regulation 43A of the Listing Regulations, the Company has a policy on dividend distribution. This policy can be accessed on the Company's website at <https://new.abb.com/grid/appsil/investors-section>

14. Particulars of loans, guarantees or investments under Section 186 of the Act:

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

15. Amount, if any, proposed to be transferred to Reserves:

For the financial period under review, your Company

has proposed not to transfer any amount to the General Reserves.

16. 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 – D, forming part of this report.

17. 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 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.

18. Corporate Social Responsibility initiatives:

The Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee on December 24, 2019 as required under the Act for implementing various CSR activities and adopted CSR Policy at its meeting held on April 30, 2020. Composition of the Committee and other details are provided in Corporate Governance Report which forms part of this Report. During the period under review, your Company was not required to spend any amount on CSR activities since the criteria specified in Section 135 of the Companies Act, 2013 was not applicable and also being the first year of incorporation. Detailed report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure – E, forming part of this Report.

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

Since the Board of Directors were reconstituted effective December 24, 2019, and this being the first year of operation, your Company was listed effective March 30, 2020, carrying out of an annual evaluation of Board of Directors of its own performance, its Committees pursuant to the requirements of the Act and the Listing Regulations, was not applicable for the financial period under review.

20. Audit Committee and its recommendations:

The Board constituted an Audit Committee of Directors on December 24, 2019. 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 period under review.

21. 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 the 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 the Company's website. Link for the same is: <https://new.abb.com/grid/appsil/investors-section>

ABB Asea Brown Boveri Ltd hold 10% or more shares in the Company. The details of transactions with promoter/promoter group holding 10% or more shares have been disclosed in the accompanying financial statements.

Consequent to the Scheme of Arrangement becoming effective from December 1, 2019, to ensure continuation of operations of the demerged Power Grids business by your Company, it was agreed to seek certain services from ABB India Limited ("Transferor") by entering into some Transitional Agreements and also executed certain Lease Agreements. These agreements fall within the definition of Related Party Transaction under the provisions of Section 188 of the Companies Act, 2013, 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 which is attached as Annexure-F.

22. Reporting of frauds:

There was no instance of fraud during the period 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.

23. 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 period ended December

31, 2019 there is no unclaimed dividend during the financial period under review and therefore, 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. Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer has been appointed as the Nodal Officer of the Company.

Pursuant to the Scheme of Arrangement (entered into between Company, ABB India Limited and their respective Shareholders and Creditors) approved by NCLT vide its order dated November 27, 2019, your Company allotted on December 24, 2019, equity shares to the shareholders of ABB India Limited. Out of 4,23,81,675 Equity shares allotted, 1,07,421 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 the Company nor transferred to IEPF, other details like amount of unclaimed/unpaid dividend and the corresponding shares were not applicable for the period 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 period under review are not applicable.

24. Particulars of employees including remuneration of directors and employees:

The information on employee particulars, as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are given in Annexure-G, forming part of this report. In terms of Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding this Annexure. This Annexure shall be provided to Members on a specific request made in writing to the Company. The said information is available for inspection by the Members

at the Registered Office of the Company on any working day upto the date of the 1st Annual General Meeting. Consequent to the sanction of the Scheme of Arrangement and the effective date of the Scheme being December 01, 2020, employees pertaining to power grid business were transferred to your Company. Since the appointed date for the Scheme is April 01, 2019, details of employees under this section is for the period from April 1, 2019 to December 31, 2019. The Managing Director of the Company did not draw any remuneration from holding company from the date of his appointment as Managing Director of the Company, i.e. December 2, 2019. Your Company did not have any joint venture or subsidiary Company.

25. Directors' Responsibility Statement:

To the best of knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Act, that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at December 31, 2019, and of the profit and loss of the Company for the period ended on that date;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts 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.

26. Disclosure on confirmation with the Secretarial Standards:

Your Directors confirm that the Secretarial Standards

issued by the Institute of Company Secretaries of India have been duly complied with.

27. Corporate Governance Report and Certificate:

As required under Regulation 34(3) read with Schedule V (C) of the Listing Regulations, a report on Corporate Governance and the certificate as required under Schedule V (E) of the Listing Regulations from Messrs V. Sreedharan & Associates, Practicing Company Secretaries, regarding compliance of conditions of Corporate Governance are given in Annexure – H and Annexure – I respectively, forming part of this report.

28. 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, your Company engaged the services of Messrs BMP & Co. LLP, Company Secretaries, Bengaluru, to conduct the Secretarial Audit of the Company for the financial period ended December 31, 2019. The Secretarial Audit Report in Form MR-3 is given in Annexure – J, forming part of this report.

29. Business Responsibility Report:

As required under Regulation 34 of the Listing Regulations, the Business Responsibility Report forms part of the Annual Report.

30. Whistle Blower Policy/Vigil Mechanism:

The Company has adopted a vigil mechanism/whistle blower policy on December 24, 2019 for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism. The policy provides for direct access to the higher levels of supervisors and/or to the Chairman of the Audit Committee, in appropriate or exceptional cases.

The Whistle Blower Policy/Vigil Mechanism is available on Company's website : <https://new.abb.com/grid/appsil/investors-section>

31. Directors and Key Managerial Personnel:

During the period under review, Mr. Sanjeev Sharma, Mr. Sridhar Krishnaswamy Tyagavalli and Mr. Gururaj Bhujangarao were appointed as the First Directors upon incorporation of your Company w.e.f. February 19, 2019.

Mr. Achim Michael Braun and Mr. Ismo Antero Haka were appointed as Additional Directors w.e.f. November 22, 2019. Mr. Venu Nuguri was appointed as Additional Director w.e.f. December 2, 2019.

Mr. Ajay Singh was appointed as Chief Financial Officer w.e.f. December 02, 2019 and Mr. Poovanna C. Ammatanda was appointed as General Counsel, Company Secretary and Compliance Officer w.e.f. December 2, 2019.

Mr. Frank Duggan was appointed as Non-Executive, Non-Independent Director and Chairman of the Company w.e.f. December 24, 2019. Mr. Mukesh Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva were appointed as Non-Executive and Independent Directors w.e.f. December 24, 2019.

Mr. Achim Michael Braun and Mr. Ismo Antero Haka resigned as Directors w.e.f. December 16, 2019 due to pre-occupation. Mr. Gururaj Bhujangarao and Mr. Sridhar Krishnaswamy Tyagavalli resigned as Directors w.e.f. December 24, 2019 due to the reconstitution of the Board of Directors. Your Directors place on record their sincere appreciation of the valuable contribution made by them.

The appointment of additional directors of Mr. Frank Duggan, Mr. Mukesh Butani, Ms Akila Krishnakumar, Ms. Nishi Vasudeva, Mr. Venu Nuguri is proposed to be regularised by way of postal ballot exercise to be conducted prior to convening first Annual General Meeting.

The Board of Directors approved the appointment of Mr. Venu Nuguri as Managing Director w.e.f. December 2, 2019. Consequently, it will be proposed to the Shareholders to approve the appointment of Mr. Venu Nuguri as Managing Director for a term of 3 years w.e.f. December 2, 2019 along with other terms and conditions of services including remuneration by way of postal ballot exercise to be conducted prior to the convening of first Annual General Meeting.

Apart from aforesaid changes there are no changes in Directors and Key Managerial Personnel of the Company from end of financial period upto the date of this report. 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.

Mr. Sanjeev Sharma and Mr. Frank Duggan are Directors liable to retire by rotation. In accordance with the provisions of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Sanjeev Sharma (DIN: 07362344), Director, is retiring by rotation at the ensuing Annual General Meeting of the Company, and being eligible, has offered himself for re-appointment.

Necessary resolution relating to Mr. Sanjeev Sharma, Director, who is seeking re-appointment as a Director is included in the Notice of Annual General Meeting. The relevant details of Mr. Sanjeev Sharma is given in the annexure to the Notice of the Annual General Meeting.

As on December 31, 2019, and as on date, Mr. Venu Nuguri, Managing Director, Mr. Ajay Singh, Chief Financial Officer, and Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company.

32. Deposits:

During the period under review, your Company did not accept any deposit within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

33. Share Capital and Debt structure:

Your Company was incorporated with an Authorised share capital of INR 5,00,000/- divided into 2,50,000 Equity shares of INR 2 each.

Consequent to the Scheme of Arrangement between ABB India Limited (Transferor) and your Company becoming effective and in consideration of vesting of the Demerged Undertaking from ABB India Limited to the Company, the authorized share capital stood increased to INR 10,00,00,000/- divided into 5,00,00,000 equity shares of INR 2/- each w.e.f. December 9, 2019, your Company has on December 24, 2019, issued and allotted one fully paid Equity Share of INR 2/- each of the Company for every five fully paid up equity shares of INR 2/- each held in the Transferor ("Share Entitlement Ratio") to the shareholders of the Transferor, as on December 23, 2019, ("Record Date"). Thus 4,23,81,675 Equity Shares of INR 2 each were allotted. Pursuant to the terms of Scheme and its approval, entire pre-scheme share capital of 50,000 Equity shares of INR 2/- held by ABB India Limited stood cancelled automatically. Out of this 4,23,81,675 equity shares, Company allotted 9,266 Equity shares (pursuant to fractional entitlements of Members of ABB India Limited as per share entitlement ratio) and the shares have been allotted to ABB Power Products and Systems India Limited Fractional Shares Trust 2019 which has been constituted specifically to hold the shares on behalf of the entitled shareholders of fractional shares in accordance with the Scheme of Arrangement and the same will be sold in the market and the sale proceeds would be distributed amongst the entitled shareholders.

The Company has received listing approval from BSE Limited ("BSE") and National Stock Exchange of India

Limited (“NSE”) and 4,23,81,675 equity shares of the Company have been listed and trading commenced w.e.f. March 30, 2020, on BSE & NSE.

Pursuant to a resolution passed by the Shareholders of your Company on November 26, 2019 and subject to the provisions of the Companies Act, 2013 and the Articles of Association, the Board is authorised to borrow money, as and when required, from, including without limitation, any bank and/or other financial institution and/or foreign lender and/or anybody corporate/entities/and/or authorities, either in Rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of INR 5,000 crores for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in ordinary course of business) may exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium. Pending establishment of banking limits, your Company borrowed from ABB India Limited and the outstanding loan as on December 31, 2019, payable by your Company was INR 347.62 crores. Subsequently, your Company has repaid the entire amount of loan availed from ABB India Limited and established banking limits.

There was no issue of preference shares, debenture, warrants or other convertible securities during the financial period under review. The Company has not issued any shares with differential voting rights, bonus shares, sweat equity shares, employees stock option nor bought back any share during the financial period under review. No shares were held in the trust for the benefit of employees during the financial period under review. Your Company did not secure any credit rating during the period under review. There has been no revision of financial statement or report, no change in nature of business. There was no instance of Statement indicating deviations, if any, in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting.

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

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

With regard to the Demerger, the National Company law Tribunal (NCLT), Bengaluru bench approved the Scheme of Arrangement (Demerger) vide its order dated November 27, 2019.

With regard to listing process of the Company’s equity shares and in terms of the SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended vide SEBI circular dated Jan 3, 2018 (“SEBI Circular”), the Company was required to list the equity shares of the Company with BSE Limited and National Stock Exchange of India Limited within 60 days of the date of the receipt of the order approving the Scheme of Arrangement. SEBI vide letter dated March 13, 2020 notified to the Company, the delay in compliance with the SEBI Circular and to ensure compliance in future.

35. Internal financial control systems and their adequacy:

The details on Internal financial control systems and their adequacy are provided in the Management’s Discussion and Analysis which forms part of this Report.

36. Disclosure as per the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules there under w.e.f. February 28, 2020. As required under law, an Internal Complaints Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. During the period under review, no cases were reported.

37. Statutory Auditors:

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), were appointed as the first Statutory Auditors of the Company. Their term expires at the conclusion of First Annual General Meeting of the Company.

For next term, your Directors have recommended appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004) as Statutory Auditors, for a period of five years, to hold office from the conclusion of first Annual General Meeting until the conclusion of sixth Annual General Meeting at such remuneration as may be mutually agreed. Consent of members is being sought in the notice convening the first Annual General Meeting seeking appointment.

38. Cost Audit and Cost Auditor of the Company:

The provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, were applicable to the Company and accordingly the Board of Directors, on the recommendation of the Audit Committee, appointed Messrs Ashwin Solanki & Associates, Cost Accountants (Registration No: 100392) as Cost Auditor of the Company, for the financial period ending December 31, 2019, for conducting the audit of the cost records maintained by the Company.

The Board of Directors, on the recommendation of the Audit Committee, has appointed Messrs Ashwin Solanki & Associates, Cost Accountants (Registration No: 100392) as Cost Auditor of the Company, for the financial year ending December 31, 2020, for conducting the audit of the cost records maintained by the Company.

A Certificate from Messrs 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.

39. Listing of the equity shares of the Company:

Your Company received listing and trading approval for 4,23,81,675 Equity Shares of INR 2 each from the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") on March 25, 2020. The equity shares of your Company commenced trading on BSE and NSE from trading hours on March 30, 2020. The Stock Code of Equity Shares of your company are NSE Symbol: POWERINDIA, BSE Scrip code: 543187 (POWERINDIA) and ISIN: INE07Y701011

40. Shifting of registered office of the Company:

The registered office of your Company has been shifted from 21st Floor, World Trade Center Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram, Bengaluru - 560055 to 8th Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru - 560092 w.e.f. March 16, 2020.

41. Management Discussion and Analysis Report (MDAR)

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

42. Postal ballot

The Company proposes to conduct postal ballot exercise through remote e-voting pursuant to

Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with Rule 22 and other applicable rules of the Companies (Management and Administration) Rules, 2014 ("Rules") (including any statutory modifications, amendments or re-enactment thereof for the time being in force) and General Circular No. 14/2020 dated April 8, 2020, read with General Circular No. 17/2020 dated April 13, 2020, issued by Ministry of Corporate Affairs, Government of India ("MCA Circulars") and pursuant to other applicable laws and regulations MCA circulars .

43. Acknowledgements:

The Board of Directors take this opportunity to thank the Company's parent company, customers, members, suppliers, bankers, associates, Central and State Governments and employees at all levels for their support and co-operation extended to the Company during the period under review.

For and on behalf of the Board of Directors
For ABB Power Products and Systems India Limited

Place: Bengaluru
Date: April 30, 2020

Frank Duggan
Chairman
DIN: 02937233

Annexure - A to Directors' Report

Management discussion and analysis

Industry structure and developments

Economic and market overview

2019 began on a hopeful note. With the new central government being elected on an even greater majority than in 2014, expectations were high of a policy that would boost the country's growth momentum. The triple balance sheet problem involving banks, corporates and non-bank financial intermediaries, triggered by the NBFC defaults in 2018, kept credit conditions tight.

Despite several rounds of monetary policy easing by the Reserve Bank of India and stimulus measures from the Government, private investment and core sector output failed to pick up. With investment low, job creation and jobs-driven consumption recovery remained missing. By September, stagnation in the manufacturing sector worsened due to weak spending and outlay. All three major industrial sectors - mining, manufacturing and electricity shrank. Industrial output too remained weaker-than-expected.

An additional headwind for India was weaker global demand. The Indian Rupee remained battered due to persistent weakness in the domestic economy, financial sector woes, volatility in oil prices, as well as trade tensions between the U.S. and China, pushing investors to seek shelter in U.S. assets. Thus, the currency could do little for exports. Global trade turbulence and various protectionist measures taken by countries took a toll on performance.

The year, however, closed with things to look forward to. December's manufacturing PMI rose to 52.7 from 51.2 in November, showing an uptick in consumer demand and exports¹. The U.S. and China also agreed on a partial trade deal, while domestically the Government provided a thrust for infrastructure projects and measures to usher credit liquidity in the system.

Power sector overview

Over the past decade, energy and emission intensities as part of the country's gross domestic product have decreased by more than 20 percent². By December 2019, the country had deployed a total of 84 gigawatt (GW) of grid-connected renewable electricity capacity, while total generating capacity reached 366 GW.

The Union Budget 2019-20 opened doors to several potential opportunities for the power sector. It announced the allocation of INR 100 lakh crore for infrastructure over the next five years³. It also showed commitment to creating a blueprint for gas and water grids as well as regional airports. To facilitate its 24/7 power for all by 2022, it also promised the roll out of a new tariff policy for the power sector alongside schemes to reduce losses of distribution companies (discoms), albeit with more stringent caveats. For attracting investment for manufacturing and to ensure clean energy over time, it also allocated INR 10,000 crore for the faster adoption of electric vehicles. The decision to float a new public sector discom, with pan-India presence, was also realized.

Yet, for most of 2019 the power sector remained under pressure due to power purchase agreement re-negotiations, demand reduction and mounting dues from discoms to the generating companies. Electricity consumption growth slowed causing electricity generation, including from renewables, to stay in second gear. Conventional generation was down 19 percent in October while overall generation fell 1 percent year-on-year in the fourth quarter. The cumulative year-to-date production (April-December) from on-grid coal-fired power generation was also down 25 billion units in absolute terms⁴. The rising cost of coal and rail transportation further dampened investor interest in the thermal sector, having them to continue to pivot toward renewable energy – the lowest cost source of new power generation. State-center policy issues such as the perplexity of implementing 'Make-in-India' also led to the cancellation of more than 4.5 GW of tenders and the under subscription of another 6 GW of auctions due to scarce investor interest⁴.

With such a backdrop, ABB Power Grids retained its focus on solid fundamentals to build on existing opportunities and make headway in carefully chosen high-growth segments such as grid automation and rail. Many of these will drive business growth in the years ahead. Also central to our vision are the United Nations Sustainable Development Goals, notably Goal 7 for affordable and clean energy.

1 <https://in.reuters.com/article/india-economy-pmi/indias-december-factory-activity-picks-up-to-seven-month-high-but-business-optimism-weakens-idINKBN1Z106T>.

2 <https://www.iea.org/reports/india-2020>.

3 <https://www.firstpost.com/business/infra-budget-2019-rs-100-lakh-crore-allotted-for-infrastructure-in-next-5-years-projects-to-bridge-urban-rural-divide-highlighted-6940701.html>.

4 Central Electricity Authority

Over the coming decade, technology developments and economic advantages strongly intertwine with Government's ambition to put India in a position to transform its electricity sector. The push on adoption of advanced digital technologies such as big data and artificial intelligence to curb emissions and improve efficiency, including the digital solutions pioneered by our Company, is projected to continue.

ABB Power Products and Systems India Limited has built a compelling portfolio of products and solutions that enable increased use of clean energy sources across the focus sectors of utilities, industries, transportation and infrastructure to drive business growth and will continue to focus on innovation to bring value to our stakeholders. We are confident that we have the expertise and footprint to build on the momentum and power ahead.

Business overview

In 2019, Power Grids demerged from ABB India Limited and became a standalone legal entity - ABB Power Products and Systems India Limited. We began our march to a new future backed by the legacy accorded to us by our former patron. With a history of over 130 years, ABB has a proven track record with worldwide installed base, lifecycle support services and domain expertise. It is known for its commitment to continuous innovation and development of power technologies. Hence, although young, we are backed with a significant sectoral experience.

The management of ABB Power Products and Systems India Limited has historically been associated with the Power Grids business in various roles and brings on board extensive business experience. Equipped with a thorough understanding of industry trends, demands and market changes, we are confident of our ability to adapt and diversify our operating capabilities and take advantage of market opportunities. We are poised to innovate and create value in the power technologies space and be the partner-of-choice for enabling a stronger, smarter and greener grid.

As of date, we have five manufacturing locations spread across Gujarat and Karnataka, a well-entrenched network of 17 sales offices and established customer relationships. We operate across four business lines, namely, (i) grid automation, (ii) grid integration, (iii) high-voltage products and (iv) transformers, and provide product, system, software and service solutions across the entire power value chain. Our offerings are designed to meet the growing demand for electricity with minimum environmental impact. We support utility, industry and transport and infrastructure customers to plan, build, operate and maintain their power infrastructure.

Segment and product-wise reporting

We are 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, we have only one operating segment, and have no reportable segment in accordance with Ind AS- 108 'Operating Segments'. ABB Asea Brown Boveri Limited hold 10 percent or more shares in the Company. The details of transactions with promoter/promoter group holding 10 percent or more shares have been disclosed in the accompanying financial statements.

Our strategy

We aim to solidify our presence in the power sector and have been putting immense effort in strengthening its operations. In accordance with our global strategy, we have prioritized eight high-growth segments, namely, grid automation, FACTS, rail, HVDC, data centers, software, EV infrastructure and microgrids to drive future growth. We are well-positioned against our competitors to take advantage and have a leading position in these attractive markets.

Our strategy is built upon three strategic pillars. First, to become a growth engine through developing a world-class front-end team and a customer-centric mindset. Second, to sharpen our winning portfolio and business models by competitiveness and maximized customer value. And third, to drive for world-class execution by ensuring industry-leading quality and operational performance. These pillars are anchored to a foundation of people and innovation. While hiring top talent and building people capabilities for large projects is a challenge across the power industry, we are sure of our strengths and are empowered by our agile structure and expected overall market growth.

Our continued focus on R&D positions us well to deliver value to our customers even in times of transformation. We are constantly working on short-term evolutionary innovations to existing products and services, as well as long-term innovations crucial for maintaining and strengthening our position as a leader in innovation and for supporting future growth. To ensure we are flexible and result-driven, our global research centers and business units are integrated with leading universities in India and abroad, and with our other external partners, in a networked environment.

Operational overview

At a time when disruptive technological changes and various policy initiatives are changing the way customers do business, we have continued to prepare ourselves and create value for our stakeholders through best-in-class manufacturing facilities and global technology portfolio. Further, our internal transformational initiatives have helped us build systematic cadence, agility and disciplined performance to transform growth, portfolio and execution. Our foundation of innovation and people strategy have helped us stay on track.

At the close of the year, we set up our new headquarters in Bengaluru and launched ourselves as a standalone legal entity in the power domain. We also established a world-class digital experience center, PowerDEC, which demonstrates the next level of enterprise performance for enhanced grid stability, improved asset performance and efficient operational management.

As part of our investment in strategic research and development programs, we inaugurated a High-Voltage Products Innovation Center in Vadodara, accredited with the National Accreditation Board for Testing and Calibration (NABL). The center will reduce the Company's dependence on external bodies and support the technology and R&D teams in testing their inventions in real-time, enabling faster go-to-market.

At our Peenya facility we added one shop floor for utility communication. To prepare ourselves to smartly handle future demand from urbanization, we also set up a factory for Electric Multiple Unit (EMU) traction transformer at Savli and expanded the capacity of our power transformers facility in Maneja.

We are committed to maintaining state-of-the-art test facilities and NABL-accredited high voltage, mechanical endurance labs for testing our manufactured products to ensure their long-lasting site performance. We are equipped with full-time training facilities encompassing our complete range of products, systems and communication and have a rigorous year-long training calendar. Our factories are in the process of implementing the LEAN Lighthouse program and continue to work on LEAN principles to reduce waste and increase recycling.

At the close of 2019, ABB Power Products and Systems India Limited was in the process of being certified under ISO 14001 Environment Management Systems and ISO 45001 Safety Management System. We aim to be recognized for our customer focus and high standards in the industry. We plan on achieving it by enhancing the quality of our technology applications and training our channel partners on the highest operational benchmarks. We have rolled out company-wide LEAN and Six Sigma (L6S) initiatives and, have until date trained 327 Yellow Belts, 6 Green Belts and 1 Black Belt.

ISO 9001 – 2015 certified, we have established quality management system with a clear policy objective and focus on customers, factory processes and suppliers. Regular TLC audits by the product technology lead centers for control and improvement in process and product manufacturing across the value chain are carried out.

We have set-up a vendor quality assurance function, followed by regular audits to monitor and improve supplier performance on quality, delivery and sustainability. Statistical process control across suppliers and inspection using modern measuring instruments, such as helium leak testing M/c, 3D CMM are in place for improving incoming component quality. We also have in-process quality control tests and skill matrix checks for the flawless production of products.

With close to 100 dedicated engineers, our technology centers focus on continuous product innovation, optimization and improvement using various state-of-the-art technical software. The availability of world-class PowerTEC training center to give customers hands-on training in handling the Company's products also lead to a further improvement in product lifecycle.

Performance during the reporting period

Keeping pace with the evolving markets, we had many firsts in the period under review. We booked our first cybersecurity order from Power Grid Corporation of India Limited (PGCIL), Roorkee. City and state utilities continued their digital transition and we booked orders for remote terminal units for smart cities and protection, control and measurement units of Relion for digital substations. Pilots were initiated for digitalizing transformers using our CoreTec and Core Sense offering with a leading renewable player. To ensure reliable rural electrification under the Government's rural electrification program for Deendayal Upadhyaya Gram Jyoti Yojana and Integrated Power Development Scheme, we delivered COMBIFLEX solutions through our partners. We received multiple orders toward urban mobility including for the supply of over 80 trackside transformers for railway electrification and Supervisory Control and Data Acquisition (SCADA) solutions and dry-type distribution transformers for various metro projects across India.

With space crunch in urban environments increasingly becoming an issue, we also received orders for a 132 kilovolt (kV) Gas Insulated Switchgear (GIS) substation from a state utility, a 400 kV GIS and transformers order for a power plant in eastern India, a 400 kV GIS for a thermal power plant in a southern state, and a 420 kV GIS for Bharat Heavy Electricals Limited TANGEDCO Udangudi STPP project, and many others.

Major orders successfully commissioned/supplied during the period under review include:

- Phasor measurement units to industrial and renewable sectors for substation-wide area measurement projects.
- One of India's first next-generation fiber-optic transmission equipment, based on multi-protocol label switching, for 1,400-kilometer (km) oil and gas pipelines for Pipeline Infrastructure Limited.
- Network Manager SCADA upgrade order for Bangalore Metro Rail Corporation Limited (BMRCL).
- Automation, control and SCADA order for Pune Metro.
- Automation and control order for Eastern Dedicated Freight Corridor.

Growth in industries such as steel, cement and automobiles, however, continued to weaken. Solar capacity addition in the country didn't happen as expected and fewer in the domain were awarded in 2019 than the year before. Our e-balance of system projects were further hampered by the ambiguity in Goods and Services Tax on solar.

Our track record of excellence and on-time delivery ensured we remained the preferred suppliers for our existing customers. To name a few, we received repeat orders from PGCIL for software-as-a-service and power line carrier communication, and from National Thermal Power Corporation Limited (NTPC) for protection and integrated energy management solution.

Our businesses booked milestone orders including traction transformers, customized for WAP-7-type electric locomotive for powering Indian Railways under their 'Mission Electrification'; HVDC upgrade for PGCIL's Rihand Dadri HVDC link; traction transformers from Diesel Locomotive Works, Varanasi, and Chittaranjan Locomotive Works. We also received orders for 765 kV transformers and reactors for PGCIL substations as well as for a 400/220/132 kV GIS substation from an infrastructure customer.

Our orders for the period under review - April to December 2019 - totaled INR 2,642 crore, and revenue was INR 3,231 crore. Profit-before-tax was INR 220.6 crore and profit-after-tax INR 165 crores.

Services

Value-based engagement with customers ensured that we continued the double-digit growth momentum in service orders. We had multiple orders encompassing transmission, generation, process industry and metros - areas that hold major growth potential. We received several third-party upgrade and retrofitting orders and collaborated and co-created digital solutions with customers to help them drive efficiency and reliability, while improving safety. To that effect, we received a large service order from PGCIL for Rihand-Dadri HVDC system upgrade, recovery and restoration of TCSC-II at Raipur Substation, lifecycle service orders for grid automation

from Delhi Metro Rail Corporation, Vedanta, NTPCL and PGCIL, a retrofit order from Druk Green Power Corporation Limited, Bhutan, for circuit breakers and disconnectors, a replacement project order for 76 units of 245 kV disconnectors from Gujarat State Electricity Corporation Limited (GSECL), an annual maintenance contract for 220/33 kV substation from BPCL Kochi, and power system study orders from various customers.

We remained a trusted partner for training top talent and had such requests from PGCIL, Gujarat Energy Transmission Corporation Limited and Maharashtra State Electricity Transmission Company Limited. We also had a Memorandum of Understanding (MoU) with Central Board of Irrigation and Power under which we conducted workshops for more than 200 customers from over 20 utilities. We devoted efforts toward developing future talent for our high-growth segments and ran more than 60 separate training programs for over thousand people, recording about 3,500 man-days. We conducted a one-day finishing school on e-vehicles and digital substations for more than a hundred undergraduate students.

During the period under review, key customers including energy and steel majors, recognized ABB Power Products and Systems India Limited for its service commitment. Customers such as Tata Steel, GSECL and North Eastern Electric Power Corporation Limited extended their service engagement.

Exports

Our consistent focus on performance and assurance of on-time delivery, ability to optimize without any compromise on quality and world-class facilities, helped retain the drive in our export orders in 2019. Despite global trade rigidities, they contributed in double-digits to our total orders. Opportunities arose from South Africa, Indonesia, Vietnam, Sweden, Chile, Uruguay, the U.S., and Australia. These countries made up three-fifth of our total exports in 2019.

Among many others, we had:

- Our single-largest order booked for transformers from a customer in Africa for 7 x 150 mega volt amp (MVA) 400 kV, 1 Ph, auto transformers and 2 x 120 MVA 245 kV power transformers for a hydro power project.
- Our first direct order from a Latin American utility for 30 of our 170 kV circuit breakers.
- Breakthrough order for power transformers from a Chilean utility.
- Orders for power transformers from UTE, Uruguay.
- Order for dry transformer for a data center in South Africa.
- Breakthrough order for Network Manager - SCADA for an airport in Middle East.
- Protection and control equipment order from global feeder factory for customers such as Ontario Power Generation (the U.S./Canada) and Transgrid (Australia).

- Largest order received for the supply of 72.5 kV to 245 kV circuit breakers to customer in Chile, and first breakthrough order for 245 kV circuit breakers in the same market.
- Entry in Angola with our circuit breakers, current voltage transformer and power transformers.
- Supply of over 4,000 COMBIFLEX relays across the world.
- A five-year frame agreement for supplying 72.5 kV EDI circuit breakers in Denmark.
- The first order for the 245 kV vertical break disconnecter from the U.S.
- Largest quantity of 72.5 kV Poles & Power Packs received from Spain - 220 units.
- Largest order-booking from Indonesia with maximum penetration through local footprint for circuit breaker, disconnectors and instrument transformer.

Operational excellence

We are deeply devoted to expanding the Indian power market. We have been investing in expanding our manufacturing base in the country for over six decades and today our world-class facilities are the single point source for Power Grids' global supply of several products. Growth is difficult in isolation. So we continue to invest across the entire value chain - from customers to suppliers, from employees to future talent. With local manufacturing, engineering and delivery of almost the entire global portfolio of products and solutions, India is a microcosm of the global Power Grids business. It also supports global R&D, engineering and business services.

On a transformative journey, ABB Power Products and Systems India Limited is adopting strategies for profitable growth, relentless execution and business-led collaboration. To support customers in a world of unprecedented technological change and digitalization, it aims to focus, simplify and shape the business to solidify its market position. As the energy landscape evolves, we are actively evaluating how best to cater to the changing needs, testing everything from assembly, partial manufacturing to running pilots or forming partnerships to leveraging the expertise of specialists.

Initiatives

We have made significant improvements through our internal transformation program, where we made change and growth our core mantra to provide value for customers. We are well-positioned for long-term success. We have developed eco-efficient GIS and circuit breakers and in the e-mobility space, started a pilot for TOSA flash-charging solution with Ashok Leyland to test the feasibility of our product in the Indian market.

Despite difficult market conditions, we have been able to strengthen our world-class front-end transformation

workstream to enhance our capability to deliver products, systems, software and services through superior and optimized internal processes. To address the changing needs of the Indian market, we have simplified and primed our sales organization to penetrate the market further for a larger share, while nurturing talent to remain current and relevant to customer needs.

Continuous competence growth being a crucial element in the success of our sales force, the team has put in over 1,400 hours of training on pertinent subjects ranging from technical and commercial expertise to behavioral and change management. Dashboards and tools for analysis of market and opportunity pipeline have been developed to support sales force's daily operations and improve decision-making processes.

Our multi-functional, cross-business line teams came together in collaborated sales efforts with well-governed processes to secure deals with clear value proposition to our customers. These specialized teams, with their strategic approach, have helped us win orders of GIS substations, electrical balance of plant for renewable projects, and others, in a highly competitive environment.

With our agenda to grow our business profitably and sustainably, we are focused on increasing our market and competitiveness by analyzing white spaces in our key segments. Through the year, we have taken extensive actions to leverage our installed base, evaluate local market needs for potential new product development and customizations and engage early on with stakeholders for prioritized market opportunities to maximize our win probabilities. Through these actions, we identified an additional market potential of approximately INR 1,582.84 crores* in segments such as transmission, distribution, rail & urban transport, renewables, industries, data centers, and more.

Research and Development (R&D)

We believe that the development of new products, features and solutions and their localization secures as well as creates additional revenues with increased number of customer engagements and installed bases. R&D in application of alternative material, design optimization, engineering tools, manufacturing technologies, quality improvement techniques/tools and value engineering have helped us safeguard and improve profitability. As part of our industry and social innovation engagement, we have been participating in various R&D related activities in association with industry bodies, professional technical groups, forums and policy makers, and have received awards and recognitions in terms of application of innovation, technical publications and presentations. Our

* Based on 2020 MUSD BUDG RATE: 1 USD = 68.819 INR

R&D activities are carried out in the global R&D and technology centers as well as in the local businesses. We believe that this leverages our presence and competencies in India to develop new technologies and adapting existing ones for Indian and export market and business.

Talent

Our investment in training and upskilling employees continues to set us apart in the market. Our success rests on getting and retaining the right talent. Thus, we have in place various management training programs tailored for different management segments. These programs have been instrumental in penetrating and expanding the market presence and in introducing key technologies. As of date, our employee base stands at 2,200. As we continue to grow, we will invest in talent in the segments that are vital for our business growth.

Collaboration

We are in regular interaction with Government utilities and policy bodies, industrial forums such as IEEMA, CII, ISGF and technological forums like CIGRE to introduce products and solutions and to shape policy towards a stronger, smarter and greener grid. We have entered into an MoU with a leading academic institute to set-up an operational smart electricity distribution network and management system in its campus, aimed at serving as a pilot project for the Smart Cities Mission of the Government of India. We also had an MoU with the Central Board of Irrigation and Power under which we conducted workshops for more than 200 customers from over 20 utilities.

Human resources

We believe that people are the key pillar of our Company's success in the market. We continue to attract the best of talent thanks to our inclusive culture and ability to leverage new and existing opportunities for their career growth. Our people strategy is aligned with our overall vision to be the pioneer in shaping the future of sustainable energy and we are committed to nurturing a cordial and diversified work environment in a growing market and in maximizing the potential of our workforce.

As of December 31, 2019, our employee base stood at 2,200. To ensure we continue to attract top talent, we have launched multiple employer branding initiatives and consistently created avenues for learning. We are invested in the growth of our employees and are devoted to helping them adapt and perform better in a fast-changing market environment. With our enhanced performance

management and talent strategy, we focus on attracting, assessing and developing our human capital for today and for the future. We pay immense attention to inculcating a learning environment within teams and providing opportunities for global mobility, so as to manage talent in key function areas.

Our Company's competency model – value pairs – has been aligned with the business strategy. The same language is spoken throughout employee's performance, learning and development cycles. To ensure continuous engagement of employees, we have launched several retention strategies including rewards and recognition programs to create a nurturing and performance-oriented work place and shape employee behaviors in line with organizational values.

We believe in creating a work culture that cares for employee well-being. Health and safety are our number-one priority and throughout the period under review, we have striven to ensure a safe working environment in all our premises, undertaking several wellness initiatives. We 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.

Finance

Multiple interest rate cuts by the Reserve Bank of India did little to boost liquidity in the market. Credit conditions remained tight. Initiatives like UDAY 1.0 fell short of bringing fresh investments in the power sector. In this environment, our Company continued its credible performance through relentless execution and business-led collaboration. We generated revenue of INR 3,231 crores while our net profit was more than INR 165 crores.

Our current ratio stood at 1.07 and interest coverage ratio at 10.91, showing strength in our balance sheet and our ability to maximize capital. Our debtor turnover ratio was 2.02, indicating our robust collection processes. However, we are also discussing potential repayment mechanisms to clear historical overdues.

Inventory turnover stood at 6.71 percent. Our operating EBITA was 9.0 percent, while net profit margin stood at 5.1 percent.

In 2019, the interest cost borne by us was INR 26.4 crore. As on December 31, we had a net cash balance of INR 188 crore. In terms of foreign currency exposure – for imports and exports – we continued to conservatively hedge at the point of commitment to protect the contract margins.

Key financial ratios	
Debtors Turnover	2.0
Inventory Turnover	6.7
Interest Coverage Ratio	10.9
Current Ratio	1.1
Debt Equity Ratio	NA*
Operating Profit Margin (%)	10.4
Operating EBITA (%)	9.0
Net Profit Margin (%)	5.1
Details of any change in return on net worth as compared to immediate previous financial year along with a detailed explanation thereof	NA**

*Not applicable as we have short-term borrowing only in books

**Not applicable since the Company was incorporated on February 19, 2019, previous year figures are not applicable.

Note: This being the first financial year of the Company, comparison with previous year ratios are not applicable.

Disclosure of accounting treatment: The Company followed IND-AS and has detailed its accounting policy in note 2 of the financial statements.

Risk management, risks and concerns

Risk is inherent in business. ABB Power Grids is well-supported by robust risk management and governance mechanisms.

We have a risk management charter and policy, which provides an overarching framework for risk management (RM).

The key elements of our Company's framework have been captured in the RM policy that details the process for identifying, escalating, prioritizing, mitigating and monitoring key risk events and action plans. The assessment of risks covers areas of strategy, technology, finance, operations and systems, legal & regulatory and human resources risks. There are appropriate assurance and monitoring mechanisms in place to monitor the effectiveness of our RM framework, including the mitigation plans identified by management for key risks. We undertake risk management exercises to identify and expand our knowledge of potential risks in a changing market and handle them.

Our existing framework provides for risk reviews at various levels based on the organizational structure matrix. Periodic assessment of risks, potential impact relating to business growth, profitability, talent engagement, and market position are conducted. Response to key operational risks, based on inputs received from the internal and external assessment, internal and performance review among others are done on a regular basis.

Our aim is to minimize adverse impacts, leverage market opportunities effectively and efficiently, and enhance our business competitiveness.

Internal control systems and their adequacy

ABB Power Grids has robust internal financial control systems that are designed to ensure compliance with all applicable laws and regulations, facilitate optimum utilization of resources, protect company assets and stakeholders' interests. We are continuously working on making these systems more efficient and reliable to ensure completeness of accounting records and timely preparation of financial statements and management information.

We have a holistic Internal Control (IC) framework comprising Country Management Committee, Group Directives and Instructions, Local Management Instructions, Process and Entity-Level Controls, Enterprise Risk Management, Local Direct Management Testing Programs, and a strong emphasis on integrity and ethics as part of our work culture. An independent service provider, having expertise in the field, has performed current year's Internal Financial Control effectiveness testing. We have an efficient Statutory & Legal Compliance System in place.

We also have a well-functioning whistle-blower policy to report any misdoing. Our IC framework has been aligned with one of the most matured IC frameworks – COSO 1992 and transitioned to COSO 2013. The current framework is also in line with the Internal Finance Control (IFC) requirement of The Companies Act, 2013.

Outlook

The power grids market is driven by an increasing adoption of renewable energy, rising demand in emerging countries with minimum environmental impact, the expansion of distributed power sources such as electric vehicles and storage batteries, deregulation of the electric power sector in countries and regions, and advances in electric power system reform.

Further, digitalization in power assets, systems and processes is creating the environment of energy internet with real-time integrated grid control system and asset performance management with predictive maintenance technologies. Our Company is continuously developing new features, products and solutions based on core power technologies to support this evolution.

As per the National Electricity Plan II, 2019, issued by the Ministry of Power, Government of India (“Electricity Plan”), installed generation capacity in India will increase from around 350 GW currently to 484 GW at the end of 2021-2022. Gas-insulated switchgear, hybrid switchgear, digital substations and reactive power compensation are the technologies of choice to ensure smooth and trouble-free operation of power systems. Growth in demand and addition of grid-connected solar power are expected to lead to investments in associated transmission equipment.

Industry growth being largely muted in 2019, we are looking to play an active role in railway electrification with 27,000 kilometres yet to be electrified by 2023, in regional transport ventures such as NCRTC (Delhi – Meerut) and high-speed rail (Ahmedabad – Mumbai), and in metro projects that are either under execution or in a planning. Data centers hold vast untapped potential for us in India. With the Government expected to roll out a data center policy soon, we will likely see exponential growth and areas to pitch our products and services for segment augmentation and business growth. We are also awaiting further developments in the e-mobility space which is at a nascent stage in the country right now. With many cities coming up with a Bus Rapid Transit System, there is an opportunity area which can go electric. At the get-go, we are well-placed to support the segment with our award-winning innovative flash charging system -TOSA.

As leaders in HVDC technology, we are currently executing the Raigarh-Pugalur HVDC project and see opportunities for upgrades of maturing HVDC stations in the coming years. We are also seeing investments starting to happen toward port upgradation i.e., deployment of smart port infrastructure and shore-to-ship power systems. This is an encouraging development and we are well-positioned to take advantage of it with our offerings.

The Government’s Power-for-All scheme to achieve universal access to electricity by the early 2020s will be a big demand generator. But in that context, the Government’s focus should be primarily on improving access of energy to households at affordable rates – a theme central to the policy design. There are multiple policy and fiscal interventions needed; programs like UDAY need monitoring and proactive corrections to be effective. A move to pre-paid smart meters, as outlined in Budget 2020-21, will be a step toward discoms cutting distribution losses and setting the stage for separating the carriage and content operations. Smart meters minimize human intervention in metering, billing and collection, and help reduce theft by identifying loss pockets.

Several renewable technologies such as offshore wind, battery storage, charging infrastructure for electric vehicles and the like are still to take off in a big way. The higher technology cost is one of the biggest hurdles for mass adoption. The Government is considering schemes to remove those hurdles. Fiscal support in the form of

viability gap funding for each emerging technology is under consideration. It is worthwhile to mention that the ecosystem for such technologies (primarily components) will initially be imported. Thus import duty and GST on key components need to be initially pegged at minimal tax slabs.

Opportunities and threats

For 2020, unexpected turn of events has impacted our market outlook. While various macro parameters had been putting a downward pressure on economic growth, the Coronavirus outbreak has pushed many projects and orders to the backseat. However, Government spending in infrastructure and efforts to boost credit liquidity will provide a mild thrust for industry capex. As normalcy is restored, renewables and rail will continue to be areas of robust growth, while the data center and e-mobility markets will unleash opportunities for new business models and overall sector growth. More clarity and policy impetus from the Government will help to speed up investments. However, we expect prices to remain under pressure due to competition and the desire of Government for a lower price discovery in rail and solar projects.

In all this, we are confident that we have the expertise and footprint to build on the momentum and power ahead.

Cautionary statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company’s objectives, projections, outlook, expectations, estimates and others may constitute ‘forward looking statements’ within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company’s Operations. These include climatic and economic conditions affecting demand and supply, government regulations, taxation, and natural calamities over which the Company does not have any direct control.

Annexure - B to Directors' Report

Form No. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014] Extract of Annual Return

As on the financial period ended on 31.12.2019

I. REGISTRATION AND OTHER DETAILS:

Sl. No.	Particulars	Details
i	CIN	U31904KA2019PLC121597
ii	Registration date	19.02.2019
iii	Name of the Company	ABB Power Products and Systems India Limited
iv	Category/Sub-category of the Company	Public Company, Limited by Shares
v	Address of the Registered office and contact details	8th Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru-560092 Phone: Tel:+91 80 2204 1800
vi	Whether listed company	Listed w.e.f March 30, 2020
vii	Name, address and contact details of Registrar and Share Transfer Agents, if any	KFin Technologies Private Limited Selenium, Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Serilingampally Mandal Hyderabad 500 032 Telangana Email: einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company

Sl. No.	Name and description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Manufacture of transformers and electricity distribution and control apparatus	271	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	ABB Asea Brown Boveri Ltd Affolternstrasse 44 P.O. Box 8131 CH-8050, Zurich, Switzerland	NA	Holding	75.00	2(46)

I. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity):

i. Category-wise share-holding:

Sl. No.	Category of shareholder	No. of shares held at the beginning of the year**				No. of shares held at the end of the year**				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A) PROMOTER AND PROMOTER GROUP										
1)	INDIAN									
a	Individual/HUF	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
b	Central Government/State Government(s)	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
c	Bodies Corporate	50,000	NIL	50,000	100.00	NIL	NIL	NIL	0.00	-100.00
d	Financial Institutions/Banks	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
e	Others	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
	Sub-Total A (1):	50,000	0.00	50,000	100.00	NIL	NIL	NIL	0.00	-100.00
2)	FOREIGN									
a	Individuals (NRIs/Foreign Individuals)	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
b	Bodies Corporate	NIL	NIL	NIL	0.00	3,17,86,256	NIL	3,17,86,256	75.00	75.00
c	Institutions	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
d	Qualified Foreign Investor	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
e	Others	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
	Sub-total A(2):	NIL	NIL	NIL	0.00	3,17,86,256	NIL	3,17,86,256	75.00	75.00
	Total A=A(1)+A(2)	50,000	NIL	50,000	100.00	3,17,86,256	NIL	3,17,86,256	75.00	-25.00
(B) PUBLIC SHAREHOLDING										
1)	INSTITUTIONS									
a	Mutual Funds/UTI	NIL	NIL	NIL	0.00	28,91,102	NIL	28,91,102	6.82	6.82
b	Financial Institutions/Banks	NIL	NIL	NIL	0.00	22,13,101	932	22,14,033	5.22	5.22
c	Central Government/State Government(s)	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
d	Venture Capital Funds	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
e	Insurance Companies	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
f	Foreign Institutional Investors	NIL	NIL	NIL	0.00	14,44,373	NIL	14,44,373	3.41	3.41
g	Foreign Venture Capital Investors	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
h	Qualified Foreign Investor	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
i	Others	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
	Sub-total B(1):	NIL	NIL	NIL	0.00	65,48,576	932	65,49,508	15.45	15.45
2)	NON-INSTITUTIONS									
a	Bodies Corporate	NIL	NIL	NIL	0.00	2,70,528	1,577	2,72,105	0.64	0.64
b	Individuals									
	i) Individuals holding nominal share capital upto INR 1 lakh	NIL	NIL	NIL	0.00	24,55,350	3,21,098	27,76,448	6.55	6.55
	ii) Individuals holding nominal share capital in excess of INR 1 lakh	NIL	NIL	NIL	0.00	1,22,561	NIL	1,22,561	0.29	0.29
c	Others									
	Clearing members	NIL	NIL	NIL	0.00	4,763	NIL	4,763	0.01	0.01
	Foreign Banks	NIL	NIL	NIL	0.00	643	NIL	643	0.00	0.00
	Foreign Nationals	NIL	NIL	NIL	0.00	NIL	141	141	0.00	0.00
	I E P F	NIL	NIL	NIL	0.00	1,07,421	NIL	1,07,421	0.25	0.25
	Non-Resident Indians	NIL	NIL	NIL	0.00	46,866	372	47,238	0.11	0.11
	NRI Non-Repatriation	NIL	NIL	NIL	0.00	72,981	5	72,986	0.17	0.17
	Qualified Institutional Buyer	NIL	NIL	NIL	0.00	6,31,509	NIL	6,31,509	1.49	1.49
	Trusts	NIL	NIL	NIL	0.00	10,096	NIL	10,096	0.02	0.02
d	Qualified Foreign Investor	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
	Sub-Total B(2):	NIL	NIL	NIL	0.00	37,22,718	3,23,193	40,45,911	9.55	9.55
	Total B=B(1)+B(2):	NIL	NIL	NIL	0.00	1,02,71,294	3,24,125	1,05,95,419	25.00	25.00
	Total (A+B):	50,000	NIL	50,000	100.00	4,20,57,550	3,24,125	42,381,675	100.00	100.00
(C) SHARES HELD BY CUSTODIANS, AGAINST WHICH										
	Depository Receipts have been issued									
1)	PROMOTER AND PROMOTER GROUP	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
2)	PUBLIC	NIL	NIL	NIL	0.00	NIL	NIL	NIL	0.00	0.00
	Grand Total (A+B+C):	50,000	NIL	50,000	100.00	4,20,57,550	3,24,125	4,23,81,675	100.00	100

ii. Shareholding of promoters:

Sl. No.	Shareholder's name	Shareholding at the beginning of the year**			Shareholding at the end of the year**			% change in shareholding during the year
		No of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	ABB India Limited	50,000	100%	NIL	NIL	NIL	NIL	(100%)
2	ABB Asea Brown Boveri Ltd	NIL	NIL	NIL	3,17,86,256	75%	NIL	75%

iii. Change in promoters' shareholding:

Sl No.	Name of the Shareholder	Shareholding at the beginning of the year**		Date	Reason	Increase/Decrease in shareholding		Cumulative shareholding during the year**	
		No of shares	% of total shares of the Company			No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	ABB India Limited	50,000	100%	#	#	(50,000)	(100%)	NIL	NIL
2	ABB Asea Brown Boveri Ltd	NIL	NIL	#	#	3,17,86,256	75%	3,17,86,256	75%

During the financial period ended December 31, 2019, ABB India Limited incorporated ABB Power Products and Systems India Limited and held entire share capital of 50,000 equity shares (100%) along with its nominees. Pursuant to the Scheme of Arrangement of Demerger being approved by National Company Law Tribunal, Bengaluru bench vide its order dated November 27, 2019, pre-scheme share capital was cancelled and fresh 4,23,81,675 Equity shares were allotted on December 24, 2019 to the Shareholders of ABB India Limited as on the record date being December 23, 2019. Out of this allotment, 3,17,86,256 (75%) Equity shares of INR 2/- each were allotted to ABB Asea Brown Boveri Ltd, Zurich, Switzerland.

iv. Shareholding pattern of top ten shareholders (Other than Directors, Promoters and holders of GDRs and ADRs):

Sl No.	Name of shareholder	Shareholding at the beginning of the year** #		Cumulative Shareholding during the year** #	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Life Insurance Corporation of India	NIL	NIL	19,10,110	4.51
2	Reliance Capital Trustee Co Limited	NIL	NIL	12,58,467	2.97
3	SBI Large & Midcap Fund	NIL	NIL	6,98,148	1.65
4	ICICI Prudential Life Insurance Company Limited	NIL	NIL	3,94,255	0.93
5	Aberdeen Global Indian Equity Limited	NIL	NIL	2,83,787	0.67
6	General Insurance Corporation of India	NIL	NIL	2,42,144	0.57
7	HDFC Trustee Company Limited	NIL	NIL	2,36,124	0.56
8	Amundi Funds SBI FM Equity India	NIL	NIL	2,18,324	0.52
9	Vanguard Emerging Markets Stock Index Fund	NIL	NIL	1,63,478	0.39
10	Vanguard Total International Stock Index Fund	NIL	NIL	1,62,034	0.38
	TOTAL	NIL	NIL	55,66,871	13.14

Pursuant to the Scheme of Arrangement of Demerger being approved by National Company Law Tribunal, Bengaluru bench vide its order dated November 27, 2019, pre-scheme share capital was cancelled and fresh 4,23,81,675 Equity shares were allotted on December 24, 2019 to the shareholders of ABB India Limited based on the record date being December 23, 2019.

v. Shareholding of Directors and Key Managerial Personnel:

Sl No	Name of the Director/Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year**		Cumulative Shareholding during the year**	
				No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Poovanna Ammatanda	19.02.2019	NA	NIL	NIL	NIL	NIL
		31.12.2019	Allotment of shares pursuant to Scheme of Demerger	NIL	NIL	1	0.00%

Note: None of other Directors and Key Managerial Personnel of the Company hold equity shares of the Company in financial period 2019 other than the above.

** Shareholding for financial period from February 19, 2019 to December 31, 2019

V. INDEBTEDNESS:**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

(Amount in INR crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year*	0	0	0	0
i) Principal amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in indebtedness during the financial year				
- Addition	0	347.62	0	347.62
- Reduction	0	0	0	0
Net change	0	347.62	0	347.62
Indebtedness at the end of the financial year				
i) Principal amount	0	347.62	0	347.62
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	12.23	0	12.23
Total (i+ii+iii)	0	359.85	0	359.85

* February 19, 2019

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in INR lakhs)

Sl No	Particulars of remuneration	Name of MD/WTD/Manager	
1	Name and Designation	Mr. Venu Nuguri (Managing Director) (2.12.2019 to 31.12.2019)*	
2	Gross salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961		19.50
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961		-
3	Stock option		-
4	Sweat Equity		-
5	Commission - as % of profit - others, specify...		-
6	Others (premium for Group Term Life Insurance, Group Personnel Accident Insurance, Medclaim, PF Company contribution and Meal voucher)		2.01
	Total (A)		21.51
	Ceiling as per the Act		1,106.10

* Remuneration drawn from December 2, 2019 (effective date of appointment as MD) to December 31, 2019

In addition to the Salary/Perquisites mentioned above, the Managing Director is entitled for Management Incentive Program (MIP).

B. Remuneration to other Directors:

(Amount in INR lakhs)

Sl No	Particulars of remuneration	Name of Independent Directors			Total
1	Name	Mr. Mukesh Butani (24.12.2019 TO 31.12.2019)	Ms. Akila Krishnakumar (24.12.2019 TO 31.12.2019)	MS. Nishi Vasudeva (24.12.2019 TO 31.12.2019)	
2	Fee for attending Board / Committee meetings*	0.4	0.4	0.4	1.2
3	Commission	-	-	-	-
4	Others, please specify	-	-	-	-
	Total B1	0.4	0.4	0.4	1.2

*Sitting fees for the Board meeting and Audit committee meeting held in December 24, 2019, but was paid in FY 2020

Sl No	Particulars of remuneration	Name of Other Non-Executive Directors			Total
1	Name	Mr. Frank Duggan (24.12.2019 to 31.12.2019)	Mr. Sanjeev Sharma (19.2.2019 to 31.12.2019)	Mr. Sridhar Krishnaswamy Tyagavalli (19.2.2019 to 24.12.2019)	
2	Fee for attending Board/ Committee meetings	-	-	-	-
3	Commission	-	-	-	-
4	Others, please specify	-	-	-	-
	Total B2	-	-	-	-

Sl No	Particulars of remuneration	Name of Other Non-Executive Directors			Total
1	Name	Mr. Gururaj Bhujangarao (19.2.2019 to 24.12.2019)	Mr. Achim Michael Braun (22.11.2019 to 16.12.2019)	Mr. Ismo Antero Haka (22.11.2019 to 16.12.2019)	
2	Fee for attending Board/ Committee meetings	-	-	-	-
3	Commission	-	-	-	-
4	Others, please specify	-	-	-	-
	Total B3	-	-	-	-
	Total B = 1.2				
	Overall Ceiling as per the Act	-	-	-	2433.42
	Total Remuneration paid A+B	-	-	-	22.71

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl No	Particulars of remuneration	Key Managerial Personnel		Total
1	Name and Designation	Mr. Poovanna Ammatanda (General Counsel & Company Secretary) (2.12.2019 to 31.12.2019)	Mr. Ajay Singh (Chief Financial Officer) (2.12.2019 to 31.12.2019)	
2	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.83	5.05	10.88
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
3	Stock Option	-	-	-
4	Sweat Equity	-	-	-
5	Commission - as % of profit - others, specify	-	-	-
6	Others (premium for Group Term Life Insurance, Group Personnel Accident Insurance, Medclaim, PF Company contribution and Meal voucher)	0.55	0.82	1.37
	Total (C)	6.38	5.87	12.25

In addition to the Salary/Perquisites mentioned above, the Chief Financial Officer and General Counsel and Company Secretary are entitled for Management Incentive Program (MIP)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

During the period under review, no penalty was levied against the Company, its Directors or any of its Officers under the Companies Act, 2013, and also there was no punishment or compounding of offences against the Company, its Directors or any of its Officers.

For and on behalf of Board of Directors
For ABB Power Products and Systems India Limited

Frank Duggan
Chairman
DIN: 02937233

Place: Bengaluru
Date: April 30, 2020

Annexure - C to Directors' Report

Statement of Disclosure of Remuneration

The information relating to 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 period 2019, the percentage increase in remuneration of Chief Executive Officer (MD), Chief Financial Officer and Company Secretary during the Financial period 2019.

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. Venu Nuguri*	Managing Director	#	#
2	Mr. Ajay Singh*	Chief Financial Officer	#	#
3	Mr. Poovanna Ammatanda*	General Counsel & Company Secretary	#	#

Notes:

Independent Directors of the Company are entitled for sitting fees and commission as per the Statutory Provisions and within the limits approved by the Share holders. 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.

*Appointed w.e.f. December 2, 2019

Since the remuneration is only for the period December 02, 2019 to December 31, 2019, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence, not applicable.

- Percentage increase in the median remuneration of employees for the financial year: Not applicable since the appointed date and effective date of the Scheme of Arrangement was April 01, 2019 and December 01, 2019 respectively.
- Number of permanent employees on rolls of the Company as on December 31, 2019: 2,200 employees.
- Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial period 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: Not applicable since the appointed date and effective date of the Scheme of Arrangement was April 01, 2019 and December 01, 2019 respectively.
- Affirmation that the remuneration is as per remuneration policy of the Company: Yes

For and on behalf of Board of Directors
For ABB Power Products and Systems India Limited

Frank Duggan
Chairman
DIN: 02937233

Place: Bengaluru
Date: April 30, 2020

Annexure - D to Directors' 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

36 percent of green power used in Company's Operations

1. Steps taken or impact on conservation of energy:

- Replaced conventional light fixtures with energy efficient LED light fixtures across Mysuru, Maneja, Halol and Savli locations.
- Installed new energy efficient VFD to control air compressor and blower of air ambiator systems across Maneja and Savli
- Maintaining power factor throughout the year at 0.99 by replacing faulty capacitors
- Replacement of normal motors with energy efficient motors at Mysuru
- An overall conservation of:
 - Maneja – 2.5 percent
 - Halol – 7 percent
 - Savli – 3.95 percent
 - Mysore – 1 percent

2. The steps taken by the company for utilising alternate sources of energy:

Solar energy being generated in the Maneja factory campus with storage and Microgrid.

3. The Capital Investment on energy conservation equipment's:

Three effluent treatment plants dismantled and replaced with a centralised effluent treatment and installation of new RO plant to reduce usage of fresh water to the extent of 100 kiloliter per day and achieving energy conservation

B. Technology absorption

1. The efforts made towards technology absorption:

- Transformer with a new vector group - Dzn0yn1
- Ester filled 400 kV and 110 kV transformers - highest ratings in Indian market
- 105MVA generator transformers with H2S (Hydrogen Sulphide) for export
- 765 kV generator and tie transformers (SC tested at KEMA) and shunt reactors
- Traction transformer with double traction supply output (2 x 27 kV) for African rail network
- 800 kV and 400 kV HVDC converter transformers
- 245 kV vertical break disconnecter for 63 kA, 4000A
- Single-phase dynamic power factor compensation device (STATCON) for 800 kVAR
- 420 kV current transformer
- RTNA14, integrated CAT III test system for online testing of IED for South Asian market
- 110 kV underground substation for south Asian market
- Modular substation specially for containerized GIS solutions for utilities, renewables and petrochemicals
- Earthing solution for a very high resistivity terrain (2600 ohm-m) in Bhutan Damji Substation, BPCL using combination of software & various chemicals
- Advanced service solution for substations (RelCARE)
- Static Frequency Converters for railway applications
- Simulation tools for e-mobility feasibility studies and grid stability
- Digital Asset Management Program (DAMP) for asset health benchmarking
- Implementation of digital asset management solution at 765 kV for first time in India (for CB) to take care of multiple assets
- Compact and safe solution for 220 kV oil-filled cable box for EHV power transformers
- Dry-type cast resin transformers for railway trackside and metro rails

- Improvement in operating mechanism of the circuit breakers
- Trip circuit supervision relay type TSR-B with modified contact configuration and visual indication
- Improvement in lightning protection tools
- Adoption of digitalization tools at ABB PowerTEC to enhance the digital experience for customer (collecting feedbacks, online analytics started for feedback)
- EHV class transformers for NTPC Tapovan – 400 kV and PGCIL Koteshwar – 800 kV that reached safely through Hilly terrain to Uttarakhand project sites
- Converter duty transformer for Metro rails
- Global protective relay product line Combiflex/Combitec
- New design and development of 145 kV vertical break disconnectors
- Test switch maintenance release with improvements in contact boxes to handle various application configurations
- Modification of RXKL time relay hardware and software to handle “end of life” of the main controller
- Layout engineering of Offshore wind substations
- Virtual reality-based trainings for system owners and operators
- Asset health indexing tool for transmission lines

2. The benefits derived as a result of technology absorption:

- Securing and enhancing market offerings
- Improved market penetration of various products
- Improving product margins
- Reducing quality issues and cost of poor quality
- Fulfilling customer and market special requirements
- Cost effective engineering and solutions to customers
- Standardized BaSo solution (Solar Balance of Plants)
- Digital solutions in the HV substations including reactor and CB's and predicting the equipment health
- Avoiding outages for customer operations by developing solutions for high frequency earthing
- Formation of the global tool RELCARE with which customer maintenance practices will be further optimized.

3. Technologies imported during the last three years*

April - December 2019

- New technology (245 kV GIS) absorbed and commercial production started
- DC capacitor Technology Transfer completed and fully implemented in ongoing HVDC project
- Market release for RTNA14 held in 2019 and production would start in 2020
- Various Digital and Cybersecurity solutions for core power and automation assets and operations

All technologies are fully absorbed.

4. The expenditure incurred on Research and Development:

Sl No	Information Type	Apr-Dec 2019
1	Expenditure on R&D and above product development/innovation	The R&D, product development and innovation activities are part of global R&D, funded and owned by ABB global. Hence not reported here.

C. Foreign exchange earnings and outgo

Total foreign exchange used and earned

	(Amount in INR crores)	
	2019	2018*
Foreign Exchange earned	531	NA
Foreign exchange used	643	NA

*Since the Company was incorporated on February 19, 2019, previous years figures are not applicable

For and on behalf of Board of Directors
For ABB Power Products and Systems India Limited

Frank Duggan
Chairman
DIN: 02937233

Place: Bengaluru
Date: April 30, 2020

Annexure - E to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

1. Brief outline of the Company's CSR policy including over view of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Company's CSR policy

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.

Following are key areas for Company's CSR intervention:

Promote gender equality and empowering of women in engineering workforce

To promote gender equality by ensuring initiatives to empower/advancement of women and in the engineering workforce, thereby increasing diversity and inclusion.

Endorse education, employability & healthcare

To create necessary infrastructure and resources to enable 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 likeminded institutions, incubators and sponsors.

- The Company's Corporate Social Responsibility Policy is available at the following link: <https://new.abb.com/grid/appsil/investors-section>

The Company was incorporated on February 19, 2019. A Scheme Of Arrangement ("Scheme") was entered into between (i) ABB India Limited ("INABB"/"Transferor") (a subsidiary of your Company's Promoter, ABB Asea Brown Boveri Ltd) and (ii) your 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, which provided for inter alia the Demerger of the Power Grids Business of INABB ("Demerged Undertaking"). The National Company Law Tribunal vide its order dated November 27, 2019 approved the Scheme with Appointed Date and Effective Date being April 1, 2019 and December 1, 2019 respectively. Financial period ended December 31, 2019 being the first financial period, the Company was not required to incur expenditure on CSR activity.

2. Composition of the CSR Committee

Ms. Akila Krishnakumar	–	Chairperson – Independent Director
Mr. Sanjeev Sharma	–	Member – Non-Executive Director
Mr. Venu Nuguri	–	Member – Managing Director

The CSR Committee was constituted on December 24, 2019 and no committee meeting was held during the period ended December 31, 2019. However, the Company has adopted the revised CSR policy at its meeting of the Board of Directors held on April 30, 2020.

3. Average net profit of the Company for the last three financial years

Not Applicable since being the first financial period.

4. Prescribed CSR expenditure (2 percent of the average net profit of the last three financial years)

Financial period ended 2019 being the first financial year, the Company was not required to spend any amount towards CSR expenditure

5. Details of CSR spent during the financial period:

- a) Total amount to be spent for the financial period:
Being the first financial period, the Company was not required to spend any amount under CSR for financial period ended December 31, 2019.
- b) Amount unspent:
Not Applicable since being the first financial period.
- c) Manner in which amount spent during the financial period:

Not Applicable since being the first financial period

Sl No	CSR Project or activity identified	Sector in which the project is covered	Project or programs	Amount outlay (budget) project or programs wise	Amount spent on the project or programs	Cumulative Expenditure Upto reporting period	Amount spent: Direct or through implementing agency	Details of implementing agency
			(1) Local area or other	(1) Direct expenditure on Project or programs				
			(2) State and District where Project or programs	(2) Overheads				
NA	NA	NA	NA	NA	NA	NA	NA	NA

6. Reasons for not spending 2 percent of the average net profit of the last three financial years

Not Applicable since being the first financial period

7. Responsibility statement by the Corporate Social Responsibility Committee:

Not Applicable since being the first financial period

For and on behalf of Board of Directors
For ABB Power Products and Systems India Limited

Venu Nuguri
Managing Director
(DIN: 07032076)

Akila Krishnakumar
Chairperson – CSR Committee
(DIN: 06629992)

Place: Bengaluru
Date: April 30, 2020

Annexure - F to Directors' Report

FORM AOC-2

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

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of contract entered into with related parties during Financial period 2019

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 period ended December 31, 2019, which were not arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

a	Name(s) of the related party and nature of relationship	ABB INDIA LIMITED (Subsidiary of the Company's holding Company)
b	Nature of contracts/arrangements/transactions	
c	Duration of the contracts/arrangements/transactions	Given below:
d	Salient terms of the contracts or arrangements or transactions including the value, if any.	

• Related Party Transactions (RPT) between ABB India Limited and ABB Power Products and Systems India Limited

(Amount in INR crores)

Nature of RPT	Duration in Months	Total	Financial Years			
			2019	2020	2021	2022
IS Services	31	79.05	2.36	28.35	31.19	17.15
IS License Fees (CHGPL)	1	3.64	3.64	-	-	-
Utilities (Power)	7	13.28	1.90	11.38	-	-
Treasury Services	7	0.63	0.09	0.54	-	-
Lease of Own Property - Plant	7	0.51	0.07	0.43	-	-
Lease of Own Property - Office	3	0.46	0.15	0.31	-	-
Guest House Services	3	0.34	0.11	0.22	-	-
Total	-	97.90	8.32	41.24	31.19	17.15

• Related Party Transactions between ABB Power Products and Systems India Limited and ABB India Limited

(Amount in INR crores)

Nature of RPT	Duration in Month	Total	Financial Years			
			2019	2020	2021	2022
Lease of own Property - Plant	7	0.57	0.08	0.49	-	-

e	Date(s) of approval by the Board, if any:	December 9, 2019
f	Amount paid as advances, if any:	Nil

For and on behalf of Board of Directors
For ABB Power Products and Systems India Limited

Frank Duggan
Chairman
DIN: 02937233

Place: Bengaluru
Date: April 30, 2020

Annexure - H to Directors' Report

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

The Company is committed to good Corporate Governance. The Company fully realises the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company is providing detailed information on various issues concerning the Company's business and financial performance to its shareholders. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

2. Board of Directors

The Board consists 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 which is in conformity with the requirement of Regulation 17 of 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.

Except the Managing Director and Independent Directors, remaining two Non-Executive Directors are liable to retire by rotation. In the ensuing Annual General Meeting, one Non-Executive and Non-Independent Director is being proposed for his re-appointment by the Board of Directors of your Company. There is no relationship between the Directors inter-se during the period under review, other than payment of sitting fees, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company. Mr. Mukesh Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva, Independent Directors have been appointed for a period of three years, w.e.f. December 24, 2019 and upto December 23, 2022.

i) Composition/Category of Directors/Attendance at Meetings/Directorships and Committee Memberships in other companies as on December 31, 2019

Name	Category ⁽¹⁾	Attendance			Directorship in other public companies ⁽²⁾		Committee membership/ Chairmanship in Public Companies ⁽³⁾	
		Board Meetings held during 2019	Board Meetings Attended	Last AGM attendance	Chairman	Director	Member	Chairman
Director name	Kind of Directorship							
Mr. Frank Duggan (Chairman) ^a	NED		1	NA	0	0	0	0
Mr. Venu Nuguri ^b	Managing Director		3**	NA	0	0	2	0
Mr. Sanjeev Sharma ^c	NED		8	NA	0	1	1	0
Mr. Mukesh Butani ^d	NED (I)		1	NA	0	1	2	1
Ms Akila Krishnakumar ^e	NED (I)	9	1	NA	0	4	6	2
Ms Nishi Vasudeva ^f	NED (I)		1	NA	0	6	8	2
Mr. Gururaj Bhujangarao ^g	NED		8	NA	NA	NA	NA	NA
Mr. Sridhar Krishnaswamy Tyagavalli ^h	NED		9	NA	NA	NA	NA	NA
Mr. Achim Michael Braun ⁱ	NED		2	NA	NA	NA	NA	NA
Mr. Ismo Antero Haka ^j	NED		2	NA	NA	NA	NA	NA

1) Category : NED - Non-executive Director, MD - Managing Director, NED (I) - Non-executive Director and Independent.

2) Includes directorships in public limited companies, whether listed or not and excludes directorships in and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013. None of the Directors of the Company hold independent directorships in more than 7 listed companies.

- 3) No director shall hold office as a director in more than 10 public companies. No director of the Company shall serve on more than 10 committees or can act as chairman of more than five committees across all Indian public limited companies in which he/she is a Director. For the purpose of this limitation, membership and chairmanship of the Audit committee and Stakeholders Relationship committee are only considered including that of ABB Power Products and Systems India Limited. No Independent Director shall serve as Independent Director in more than seven listed companies or three listed companies in case he/she is a whole-time director in any listed company.
- 4) A-Appointed as Director and Chairman of the Board w.e.f. December 24, 2019
- B-Appointed as Director and Managing Director w.e.f. December 2, 2019
- C-Appointed as Director w.e.f. February 19, 2019
- D, E AND F-Appointed as Independent Director w.e.f. December 24, 2019
- G and H-Appointed as Director w.e.f. February 19, 2019 and resigned w.e.f. December 24, 2019 and the other details have been included as on December 31, 2019.
- I and J-Appointed as Director w.e.f. November 22, 2019 and resigned w.e.f. December 16, 2019 and the other details have been included as on December 31, 2019.

*In addition, one meeting of Audit Committee was held during the financial period on December 24, 2019.

**was also present in Board meeting held on November 22, 2019

NOTE: All Independent Directors fulfil the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

- ii) None of the directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Companies Act, 2013.
- iii) No. of Board Meetings held in the Financial period 2019 and dates on which held
- The Board has held 9 meetings during the Financial period 2019 i.e., on March 1, 2019, March 5, 2019, May 10, 2019, August 30, 2019, October 1, 2019, October 22, 2019, November 22, 2019, December 9, 2019 and December 24, 2019.
- iv) None of the Directors hold equity shares or convertible instruments in the Company.
- v) The Independent Directors, who 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 the Board was re-constituted on December 24, 2019, the familiarization programme was organised for Independent Directors on February 07, 2020 wherein they were familiarised with the business, products of the Company, tour of power tech and factory at Maneja, Gujarat.
- vi) A letter of appointment encompassing the terms and conditions of appointment, roles, duties and liabilities have been issued to the Independent Directors. The terms and conditions of appointment of the Independent Directors are disclosed in the Company's website at : <https://new.abb.com/grid/appsil/investors-section>
- vii) During the financial period, a separate meeting of the Independent Directors was not required to be held as Board was re-constituted and Independent Directors were appointed w.e.f. December 24, 2019.
- viii) As the Board was re-constituted on December 24, 2019, the periodical review by Board of Statutory reports was not applicable. In future the Board will periodically review the compliance reports that will be submitted by the management in respect of all laws applicable to the Company.

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 report 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:
 - the quarterly financial statements before submission to the Board for approval;
 - performance of Auditors, Internal Auditors, adequacy of the internal control systems;
- review and monitor the auditor's independence and performance and effectiveness of audit process;
- review the adequacy of 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 proposal for mergers, demergers, acquisitions, carve-outs, sale, 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 there on;
- 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 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 function 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 to 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 will be reviewed by the Audit Committee:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions, (as defined by the Audit Committee) submitted by management;
- 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.

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.

ii) Composition, name of members & Chairperson, meetings held during the financial period and attendance at meetings

The Audit Committee presently consists of three Independent Directors and one Executive Director (Managing Director). The Committee was constituted on December 24, 2019 and had one meeting during the financial period on December 24, 2019. The composition of the Audit Committee as on December 31, 2019 and the attendance of members at the meetings held during the Financial period 2019 were as follows:

Members of the Committee	No. of meetings attended
Mr. Mukesh Butani (Chairman) (Independent Director)	1
Ms. Akila Krishnakumar (Independent Director)	1
Ms. Nishi Vasudeva (Independent Director)	1
Mr. Venu Nuguri	1

Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer is the Secretary to the Audit Committee.

4. Nomination and Remuneration Committee

i) Terms of reference

The terms of reference and role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations which includes formulating the criteria to:

- Determine qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 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.
- The policy has been approved by Board of Directors on December 24, 2019 and by Nomination and Remuneration Committee in the meeting held on February 27, 2020.

The terms and conditions of appointment are disclosed in the website of the Company at <https://new.abb.com/grid/appsil>

ii) Composition, name of members & Chairperson, meetings held during the financial period 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. The Committee was constituted on December 24, 2019 and no meeting was held during the period under review. The composition of the Nomination and Remuneration Committee as on December 31, 2019 and the attendance of members at the meeting held during the Financial period 2019 were as follows:

Members of the Committee	No. of meetings attended
Ms. Akila Krishnakumar (Chairperson) (Independent Director)	-
Ms. Nishi Vasudeva (Independent Director)	-
Mr. Frank Duggan (Non-Executive and Non-Independent)	-

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.

As the Committee was constituted and policy was adopted on December 24, 2019, the Nomination and Remuneration Committee was not required to review any performance. The Board decided on the remuneration of the Managing Director and other Key Managerial Personnel. Going forward from FY 2020, the Board and the Nomination and Remuneration Committee will review the performance of the Board and of Independent Directors 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.

The Non-Executive Independent Directors will be compensated by way of a profit-sharing commission from FY 2020 and the criteria being their attendance in the Board/Committee Meetings, apart from sitting fees and reimbursement of other expenses.

As per policy, the Non-Executive - Non-Independent Directors are neither paid 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 INR 20,000/- per Director per meeting and for other Committees, viz., Corporate Social Responsibility, Stakeholders Relationship, Nomination and Remuneration and Risk Management, the sitting fees is INR 10,000/- per Director per meeting.

The remuneration payable to the Managing Director 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 annual performance bonus which is linked to the achievement of the score card fixed at beginning of the year.

5. Details of remuneration to all the Directors paid during the Financial period 2019

(Amount in INR lakhs)

Name	Sitting Fees	Salary & Perquisites	Commission	Stock Option	Pension
Mr. Frank Duggan (Chairman) ^A	-	-	-	-	-
Mr. Venu Nuguri ^B	-	21.51	-	-	-
Mr. Sanjeev Sharma ^C	-	-	-	-	-
Mr. Mukesh Butani ^D	0.40 ^E	-	-	-	-
Ms. Akila Krishnakumar ^E	0.40 ^E	-	-	-	-
Ms. Nishi Vasudeva ^F	0.40 ^E	-	-	-	-
Mr. Gururaj Bhujangarao ^G	-	-	-	-	-
Mr. Sridhar Krishnaswamy Tyagavalli ^H	-	-	-	-	-
Mr. Achim Michael Braun ^I	-	-	-	-	-
Mr. Ismo Antero Haka ^J	-	-	-	-	-

** In addition to the Salary/Perquisites mentioned above, the Managing Director is entitled for Management Incentive Program (MIP)

^E Sitting fees for Board and Audit committee meeting held on December 24, 2019 paid in FY 2020

^A Appointed as Director and Chairman of the Board w.e.f. December 24, 2019

^B Appointed as Director and Managing Director w.e.f. December 2, 2019

^C Appointed as Director w.e.f. February 19, 2019

^{D, E and F} Appointed as Independent Director w.e.f. December 24, 2019

^{G and H} Appointed as Director w.e.f. February 19, 2019 and resigned w.e.f. December 24, 2019

^{I and J} Appointed as Director w.e.f. November 22, 2019 and resigned w.e.f. December 16, 2019

Commission to Independent Directors: Effective FY 2020.

- 1 For Board Meetings: a fixed amount of INR 25 lakhs/- per Independent Director based on 100 percent participation by way of attendance in the meetings.
- 2 For Committee Meetings: a fixed amount of INR 3 lakhs/- per Independent Director based on 100 percent participation by way of attendance in the meetings.
- 3 For Chairman of the Audit Committee: a fixed amount of INR 8 lakhs/- for 100 percent participation by way of attendance in the meetings.

The above commission payable to Independent Directors of the Company however shall not exceed in the aggregate 1 percent per annum of the net profits of the Company computed in the manner laid down in the Act. The Board has authorised the Chairman to determine the amount payable to the eligible Independent Director based on the profits earned by the Company for the respective year.

Fixed Component/Performance Linked Incentive/Criteria

Performance related Bonus is payable to the Managing Director only as per the terms of Contract entered into between the Company and the Managing Director.

Service Contract/Notice Period/Severance Fees

- a The Contract of Service entered into by the Company with Mr. Venu Nuguri, Managing Director, 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/s.

Stock Option

The Company does not have 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.

Performance Evaluation of Directors

As the Board was re-constituted on December 24, 2019, the performance Evaluation of Directors as required under the Companies Act, 2013 was not applicable.

6. Stakeholders Relationship Committee

The said Committee has been authorized to approve the transfer/transmission/transposition/demat/remat of shares 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 transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- 2 Review of measures taken for 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 the Company Secretary to approve the share transfers/transmissions and accordingly, the Company Secretary to approve the transfer/transmission/transposition of shares/remat/demat/issue of duplicate shares requests as and when required from time to time.

No meeting was held during financial period ended December 31, 2019 as Committee was constituted on December 24, 2019.

The Committee is chaired by Ms. Nishi Vasudeva – Independent Director. Mr. Poovanna Ammatanda, Company Secretary and Compliance Officer is the Secretary to the Committee.

The composition of Stakeholders Relationship Committee as at December 31, 2019 and attendance of members at the meetings held during the Financial period 2019 were as follows:

Members of the Committee	No. of meetings attended
Ms. Nishi Vasudeva (Chairperson) (Independent Director)	NIL
Mr. Mukesh Butani (Independent Director)	NIL
Mr. Venu Nuguri	NIL

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 period 2019 are as under:

No. of investors' complaints received during 2019	No. of investors' complaints resolved during 2019	Investors' complaints pending at the end of 2019
NIL	NIL	NIL

7. Risk Management

The Company has in place a mechanism to inform Board Members about the risk assessment and minimization procedures and review to ensure that executive management controls risks by means of a properly defined framework. The Company has formulated a Policy on Risk Management and constituted a Risk Management Committee. The Board of Directors has adopted the policy in Board meeting held on December 24, 2019. The Risk Management committee has taken note of the policy in the meeting held on February 27, 2020

The Committee is chaired by Mr. Mukesh Butani – Independent Director. Mr. Poovanna Ammatanda, Company Secretary is the Secretary to the Risk Management Committee.

The composition of the Risk Management Committee as on December 31, 2019 was as follows:

Members of the Committee	No. of meetings attended
Mr. Mukesh Butani (Independent Director)	-
Ms. Nishi Vasudeva (Independent Director)	-
Mr. Frank Duggan (Non-Executive and Non-Independent Director)	-
Mr. Venu Nuguri (Managing Director)	-
Mr. Ajay Singh (Chief Financial Officer)	-

8. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Act, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted.

No meetings of Committee were held during the Financial period 2019 as Committee was constituted on December 24, 2019.

The Committee is chaired by Ms. Akila Krishnakumar - Independent Director. The composition of Committee as at December 31, 2019 and attendance of members at the meetings held during the financial period 2019 were as follows:

Members of the Committee	No. of meetings attended
Ms. Akila Krishnakumar (Chairperson) (Independent Director)	-
Mr. Sanjeev Sharma	-
Mr. Venu Nuguri	-

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 engineering workforce**
To promote gender equality by ensuring initiatives to empower/advancement of women and in the engineering workforce, thereby increasing diversity and inclusion.
- **Endorse education, employability & healthcare**
To create necessary infrastructure and resources to enable 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 CSR policy was revised at the meeting of the Board of Directors held on April 30, 2020

The Corporate Social Responsibility Committee has approved the CSR policy in meeting held on February 27, 2020.

The Company's CSR policy may be viewed in the Company's website at : <https://new.abb.com/grid/appsil/investors-section>

9. Subsidiary Company

The Company did not have any subsidiary during the period under review.

Policy for material subsidiary:

The policy for material subsidiary can be viewed at: <https://new.abb.com/grid/appsil/investors-section>.

10. Managing Director (MD) 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. Venu Nuguri, Managing Director and Mr. Ajay Singh, Chief Financial Officer. The said certificate is annexed as Annexure 1 to this report.

11. General Body Meetings

a General Meeting

Since the Company was incorporated only on February 19, 2019, providing the details of AGMs for the last three years does not arise.

i) Location and time where last three Annual General Meetings (AGMs) were held.

For the Year	Venue	Day & Date	Time
2018	NA	NA	NA
2017	NA	NA	NA
2016	NA	NA	NA

ii) Extraordinary General Meeting

One extraordinary general meeting was held on November 26, 2019 during the period under review.

iii) Special Resolution passed in the previous three Annual General Meetings

This is not applicable as Company was incorporated on February 19, 2019 and this is the first Annual General Meeting of the Company.

b. Postal Ballot

- i. During the period ended December 31, 2019, the Company has not carried out any Postal ballot.
- ii. Whether any special resolution is proposed to be conducted through postal ballot: None of the businesses proposed to be transacted at the ensuing AGM require passing of special resolution through postal ballot and therefore not applicable.
- iii. Procedure for postal ballot: NA

12. Disclosures

i) Disclosures on materially significant related party transactions.

There was no materially significant related party transaction during the financial period having potential conflict with the interests of the Company. Transactions with related parties, as per requirements of Indian Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements. Further the Company has not entered into any transaction of a material nature with the Promoters, subsidiaries of Promoters, Directors or their relatives etc. that may have potential conflict with the interests of the Company.

All the transactions with related parties were in the ordinary course of business and on arm's length basis, except transactions, which are disclosed in the Directors' 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.

Policy on dealing with Related Party Transactions can be viewed in the Company's website. Link for the same is: <https://new.abb.com/grid/appsil/investors-section>

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 financial period from February 19, 2019 to December 31, 2019, neither any penalty nor any stricture has been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets.

iii) Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has adopted Whistle Blower Policy where it has a mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct/ Business Ethics. No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any Integrity issue. The policy was adopted in the Board meeting held on December 24, 2019. The Whistle Blower Policy can be viewed in the Company's website. Link for the same is: <https://new.abb.com/grid/appsil/investors-section>

- iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements under the Listing Regulations.

During the financial period, the Company has fully complied with the mandatory requirements as stipulated in Companies Act 2013 and the mandatory Listing Regulations as Company was in the process of getting its equity shares listed.

The Company has adopted C & D of the Non-Mandatory requirements as provided in Part E of Schedule II to the Listing Regulations and not adopted A, B & E since they are discretionary requirements.

13. Means of Communication

Quarterly Financial Results/Official News Releases

The quarterly/half-yearly/annual financial results will be published in Newspaper or will be released on official news releases as may be required under the listing regulations and placing on the Company's website at: <https://new.abb.com/grid/appsil>

The quarterly/half-yearly/annual financial results will be published in Newspaper as Management may decide as per the listing regulations and will also be placed on the Company's website at: <https://new.abb.com/grid/appsil>

The Company has a dedicated e-mail ID: in-investorhelpdesk_appsil@abb.com for providing necessary information/assistance to the investors.

In addition to the above, after announcement of results, the Company may hold conference call with financial analysts. The transcript of the said conference call if any, will be uploaded on the Company's website at: <https://new.abb.com/grid/appsil>

14. General Shareholder Information

- i) Annual General Meeting Day, Date, Time and Venue: Refer notice convening 1st Annual General Meeting

Agenda proposed for 1st Annual General Meeting:

Item No. 1 – Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon - To receive, consider and adopt the financial statements, namely, (i) the Audited Balance Sheet as at December 31, 2019, (ii) the Audited Profit & Loss Account for the financial period ended December 31, 2019, (iii) the Cash Flow Statement for the financial period ended December 31, 2019, (iv) statement of changes in Equity, if any, (v) an Explanatory Note annexed to, or forming part of, the documents referred to in (i) to (iv) above and the Reports of Board of Directors and the Auditors thereon

Item No. 2 – Appointment of a Director

Item No. 3 – Appointment of Statutory Auditors for a term of 5 years

- ii) Profile of Director seeking re-appointment

The profile of Director retiring by rotation and seeking re-appointment at the 1st Annual General Meeting is given in the annexure to the Notice convening the said Annual General Meeting. Said Director is not related to any other Director on the Board of the Company and Promoters of the Company.

- iii) Financial Year

Company's financial year is January - December. The Indicative calendar of events for the financial year 2020 is:

Fourth Quarter Financial Results (Year 2019)	February 28, 2020
Postal ballot through remote e-voting	May 12, 2020 to June 10, 2020
Convening of 1st AGM	Refer AGM notice
First Quarter financial results	April 30, 2020
Second Quarter financial results	July/August 2020
Third Quarter financial results	October/November, 2020

In terms of the circular issued by Ministry of Corporate Affairs, as a Green Initiative and subsequent amendment to the Listing Regulations, soft copy of the Notice and the Annual Report for the financial period 2019 would be circulated to the respective e-mail IDs registered and available in Company's records.

iv) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed for the purpose of Annual General Meeting from August 07, 2020 to August 13, 2020 (both days inclusive).

v) Dividend Payment Date

The Board is not recommending any dividend and therefore this is not applicable.

vi) Listing on Stock Exchanges

The Company has received listing approval from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and 4,23,81,675 equity shares of the Company have been listed and trading commenced w.e.f. March 30, 2020 on BSE & NSE.

Regulation 39(4) read with Schedule VI of the Listing Regulations is not applicable to Company for the period from February 19, 2019 to December 31, 2019. It may be noted that pursuant to Scheme of Arrangement (Demerger), the Equity shares in demat form were automatically credited into Unclaimed shares account and Investors Education and Protection Fund Account.

vii) Stock Code Equity Shares:

NSE POWERINDIA
BSE 543187
ISIN INE07Y701011

viii) 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 period 2019 were as follows:
NA as Company was unlisted as on December 31, 2019

ix) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index is not applicable as the Company was an unlisted company as on December 31, 2019.

x) Registrar and Share Transfer Agents

KFin Technologies Private Limited (Unit: ABB Power Products and Systems India Limited)
Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli,
Serilingampally Mandal, Hyderabad – 500 032, Telangana
Phone No. +91 40 6716 2222, Fax No. +91 40 2342 0814
e-mail: inward.ris@kfintech.com
Website: www.kfintech.com

KFin Technologies Private Limited
(Unit: ABB Power Products and Systems India Limited)
No.59, First Floor, Kamala Nivas, Puttanna Road
Basavanagudi, Bengaluru – 560 004
Phone No. 080-26603411
E-mail: einward.ris@kfintech.com

xi) Share Transfer System

Being a public limited company and being in the process of getting listed and the Company's shares are to be compulsory held in demat form, the shares are transferable through the depository system only. As per Rule 9A of Companies Amendment Act, 2019 physical share transfer of shares has been prohibited. After listing of equity shares too, as per listing regulations, the physical share transfer is not permitted. therefore, it is requested to the Shareholders who are holding shares in physical form, to initiate dematerialisation process of their physical share certificates.

xii) Shareholding Pattern

Shareholders		As on December 31, 2019		As on December 31, 2018	
Sl No.	Description	Total Shares	% Equity	Total Shares	% Equity
1	Mutual Funds	27,16,841	6.41	NA	NA
2	Foreign Portfolio - Corp	14,42,173	3.40	NA	NA
3	Foreign Institutional Investors	2,200	0.01	NA	NA
4	Trusts	10,096	0.02	NA	NA
5	Alternative Investment Fund	1,74,261	0.41	NA	NA
6	Resident Individuals	28,15,249	6.64	NA	NA
7	Non Resident Indians	47,238	0.11	NA	NA
8	Clearing Members	4,763	0.01	NA	NA
9	Indian Financial Institutions	22,13,023	5.22	NA	NA
10	Banks	1,010	0.00	NA	NA
11	Qualified Institutional Buyer	6,31,509	1.49	NA	NA
12	ABB Asea Brown Boveri Ltd	3,17,86,256	75.00	NA	NA
13	Foreign Bank	643	0.00	NA	NA
14	Non-Resident Indian Non-Repatriable	72,986	0.17	NA	NA
15	Bodies Corporates	1,96,387	0.46	NA	NA
16	NBFC	75,718	0.18	NA	NA
17	Directors and their relatives	NIL	0.00	NA	NA
18	I E P F	1,07,421	0.25	NA	NA
19	H U F	83,760	0.20	NA	NA
20	Foreign Nationals	141	0.00	NA	NA
	Total:	4,23,81,675	100.00	NA	NA

* On December 24, 2019, the Company allotted 4,23,81,675 Equity shares of INR 2/- each to the shareholders of ABB India Limited pursuant to Scheme of Arrangement being approved by NCLT, Bengaluru bench. It may be also noted that entire pre-scheme share capital of 50,000 Equity shares of INR 2/- each stood cancelled upon approval of Scheme of Arrangement.

Distribution of Shareholding as on December 31, 2019

Category	No. of Shareholders	No. of Shares held	% of equity capital
1 – 5000	57257	2964010	6.99
5001 – 10000	26	193151	0.46
10001 – 50000	35	810947	1.91
50001 – 100000	7	534340	1.26
100001 and above	15	37879227	89.38
Total	57340	42381675	100

xiii) Dematerialisation of shares and liquidity

The equity shares of the Company are available under dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares will be compulsorily traded in the dematerialised form.

Consequent to the allotment of 4,23,81,675 equity shares in the Board meeting held on December 24, 2019, Corporate action commenced on January 22, 2020 and concluded on February 24, 2020. Basis the completion of all corporate actions, 4,20,57,550 Equity shares representing 99.24 percent of total outstanding Equity shares are held in demat form (excluding rejected demat cases).

Your Company confirms that the promoters' holdings were held in electronic form and the same is in line with the circulars issued by SEBI.

Shareholders who are still holding shares in physical form are requested to dematerialize their shares at the earliest. For queries/clarification/assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.

- xiv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

Till date, 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.

- xv) 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. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on December 31, 2019. 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 approved by the Board of Directors of the Company w.e.f. February 28, 2020.

As per the above Code, Mr. Poovanna Ammatanda is the Compliance Officer and Ms. Manashwi Banerjee, Communications - India & South Asia Power Grids is the Chief Investor Relations Officer.

- xvi) Company affirms that all the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

- xvii) Plant Locations

Plants are located in Maneja, Halol & Savli in Gujarat, Bengaluru & Mysuru in Karnataka

- xviii) 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 Aluminium) to be used in manufacturing activities. Details of commodities exposure are provided below:

a) Total Exposure of the Company to commodities in INR 148,92,85,411/-

b) Exposure of the Company to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Copper	144,42,76,040	3414 MT	-	-	37%	-	37%
Aluminium	4,50,09,371	355 MT	-	-	56%	-	56%

- c) Commodity risks faced by the Company during the financial period and how they have been managed

The Company is a sizable user of various commodities which exposes it to the price risk on account of 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.

- xix) Address for correspondence *

ABB Power Products and Systems India Limited
8th Floor, Brigade Opus, 70/401,
Kodigehalli Main Road, Bengaluru - 560 092
Phone No: 080 22041800

Corporate Secretarial E-mail ID: in-investorhelpdesk_appsil@abb.com

Corporate Website: <https://new.abb.com/grid/appsil>

*The Registered Office of the Company has been shifted to new address within the local limits of city w.e.f. March 16, 2020

- xx) The Corporate Identity Number (CIN) of the Company is U31904KA2019PLC121597
- xxi) Compliance Officer
- Mr. Poovanna Ammatanda, Company Secretary is the Compliance Officer of the Company and Secretary to all the Committees of the Board
- xxii) Debenture Trustees-Not Applicable
- xxiii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)-Not applicable
- xxiv) 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
- xxv) 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 period under review, the company was not listed and the Company did not have any subsidiary. Based on the recommendation of Audit committee, the Board approved remuneration of INR 1,57,00,000/- (Rupees One crore and fiftyseven lakh only) including reimbursement of out-of-pocket expenses but excluding applicable taxes for conducting statutory audit for financial period ended December 31, 2019 to be paid to Statutory Auditors. This fee included INR 22,50,000/- (Rupees Twentytwo lakh and Fifty thousand only) towards one-time additional fee to cover demerger related certification and other efforts.
- xxvi) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- number of complaints filed during the financial year : NIL
 - number of complaints disposed of during the financial year : NIL
 - number of complaints pending as on end of the financial year : NIL
- xxvii) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report. The Board hereby confirms that it has complied with all the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) 2015.

Disclosures with respect to demat suspense account/unclaimed suspense account -

Pursuant to Scheme of Arrangement, 799 Equity shares of INR 2/- each of ABB Power Products and Systems India Limited was credited into the demat account of Unclaimed account on December 24, 2019.

15. Discretionary Requirements

- The position of the Chairman and Managing Director are separate
- The Company does not maintain a separate office for the Non-Executive Chairman
- Post listing w.e.f. March 30, 2020, the quarterly financial results will be published in the newspapers of wide circulation and not sent to individual shareholders. Further the financial results will be available on the website of the Company and of Stock Exchanges where the shares of the Company will be listed
- The Auditors' opinion on the financial statements is qualified and the Directors have provided their response in the Directors Report
- Internal Auditor has been appointed and will be reporting directly to the Audit Committee

16 Other requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) 2015 and Secretarial Standards for Directors report:

i) Names of other listed entities in which person is director and category of directorship:

Sl no	Director name	Names of other listed entities in which person is director and category of directorship as on December 31, 2019
1	Mr. Frank Duggan	NIL
2	Mr. Venu Nuguri	NIL
3	Mr. Mukesh Butani	NIL
4	Ms. Akila Krishnakumar	Heidelbergcement India Limited (Independent Director) IndusInd Bank Ltd. (Independent Director) Matrimony.com Limited (Independent Director)
5	Ms. Nishi Vasudeva	L&T Infra Debt Fund Limited (Independent Director) L&T Finance Holdings Limited (Independent Director) HCL Technologies Limited (Independent Director)
6	Mr. Sanjeev Sharma	ABB India Limited (Managing Director)

ii) The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board.

Skills identified:

Finance and taxation laws knowledge

Diverse business knowledge

Marketing, communication

Compliance

Effective management and delegation

iii) Confirmation from Board that independent directors criteria;

The Board of Directors confirm that in their opinion, the independent directors fulfill the conditions specified under Companies Act 2013 and of SEBI (Listing Obligations and Disclosure Requirements) 2015 and are independent of the management.

iv) Credit ratings

The Company does not have any debt instrument, fixed deposit programme or any scheme or proposal for mobilization of funds. Hence, during the Financial period ended December 31, 2019 it had not obtained any credit rating for this purpose.

v) Details of utilisation of funds raised through preferential allotment or qualified institutional placement:

The Company did not raise any funds through either preferential allotment or qualified institutional placement. However, 4,23,81,675 Equity shares were allotted pursuant to Scheme of Demerger.

vi) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of company by the Board/ Ministry of Corporate Affairs or any such statutory authority:

Enclosed as Annexure 3 .

For and on behalf of Board of Directors
For ABB Power Products and Systems India Limited

Place: Bengaluru
Date: April 30, 2020

Frank Duggan
Chairman
DIN: 02937233

Annexure – I to Directors' Report

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of **ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED**,

Corporate Identity No: U31904KA2019PLC121597
Nominal Capital : Rs. 10 Crores

We have examined all the relevant records of **ABB Power Products and Systems 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 period ended December 31, 2019 (i.e. for a period from the Date of Incorporation on February 19, 2019 to December 31, 2019). 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 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 applied for Listing the Equity Shares on the Stock Exchanges BSE Limited and National Stock Exchange of India Limited (i.e. BSE & NSE) and the Company as of December 31, 2019 is voluntarily complying with 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 items C and D.

For V. Sreedharan & Associates
Company Secretaries

(Pradeep B. Kulkarni)
Partner
F.C.S.7260; C.P.No.7835
UDIN number:F007260A000580745

Place : Bengaluru
Date : February 28, 2020

Annexure – J to Directors’ Report

FORM MR -3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2019

[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,
ABB Power Products and Systems India Limited
CIN: U31904KA2019PLC121597
21st Floor, World Trade Center, Brigade Gateway,
No. 26/1, Dr. Rajkumar Road, Malleshwaram West,
Bengaluru - 560055

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ABB Power Products and Systems India Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st December 2019 according to the provisions of:

- i. The Companies Act, 2013 (‘the Act’) and the Rules made thereunder and the relevant provisions of The Companies Act, 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder to the extent of its applicability to an unlisted Company.
- 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’): -Not applicable as the Company is not a Listed Company.
- vi. The Company has identified the following laws as specifically applicable to the Company:
 - 1 Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder
 - 2 Boilers Act, 1923 & Rules made thereunder
 - 3 Electricity Act, 2003
 - 4 Indian Explosives Act, 1884
 - 5 Gas Cylinder Rules, 1981 (under Indian Explosives Act)
 - 6 Static and Mobile Pressure Vessels (Unfired) Rules, 1981 (under Indian Explosives Act)
 - 7 Environment (Protection) Act, 1986
 - 8 The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/concerned State Rules.
 - 9 The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/concerned State Rules
 - 10 Hazardous Wastes (Management and Handling) Rules, 1989

- 11 Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
- 12 The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/concerned State Rules.
- 13 The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
- 14 The Employees' State Insurance Act, 1948 & its Central Rules/concerned State Rules.
15. The Minimum Wages Act, 1948 & its Central Rules/concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/Trade.
- 16 The Payment of Wages Act, 1936 & its Central Rules/concerned State Rules if any.
- 17 The Payment of Bonus Act, 1965 & its Central Rules/concerned State Rules if any.
- 18 The Payment of Gratuity Act & its Central Rules/concerned State Rules if any.
- 19 The Maternity Benefit Act, 1961 & its Rules.
- 20 The Equal Remuneration Act, 1976.
- 21 The Industrial Employment (Standing Orders) Act, 1946 & its Rules.
- 22 The Apprentices Act, 1961 & its Rules.
- 23 The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
- 24 The Workmen's Compensation Act, 1923.
- 25 The Industrial Dispute Act, 1947.
- 26 The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 27 The Information Technology Act, 2000.

The Compliance of the above laws was checked in ABB India Limited, the Demerged Company before the Scheme of Arrangement was approved by the Hon'ble National Company Law Tribunal.

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; Not applicable as the Company is not a Listed Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions 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, and 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' views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

The Board of Directors of the Company, at its meeting held on March 5, 2019 approved a scheme of arrangement amongst the Company, ABB India Limited ("Demerged Company") and their respective Shareholders and Creditors, providing for the demerger of ABB India Limited's power grids business to the Company. The National Company Law Tribunal has vide its order dated November 27, 2019 sanctioned the Scheme of Arrangement. As per the sanctioned Scheme of Arrangement between the Company and ABB India Limited, Shareholders of the Demerged Company who are holding equity shares as on the record date are entitled for one fully paid up equity share of INR 2/- each of the Company for every five fully paid up equity shares of INR 2/- each held in the Demerged Company.

A scheme of arrangement ("Scheme") was entered into between (i) ABB India Limited ("INABB"/"Transferor") and (ii) ABB Power Products and Systems 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, which provided for inter alia the Demerger of the Power Grids Business of INABB ("Demerged Undertaking") and the consequent

issuance of Equity Shares by the Company to the shareholders of INABB as per the Share Entitlement Ratio. The NCLT approved the Scheme on November 27, 2019. The Appointed Date of the Scheme is April 1, 2019 and the Effective Date is December 1, 2019. Upon the Scheme becoming effective and in consideration of vesting of the Demerged Undertaking from the Transferor to the Transferee, the Transferee has issued and allotted one fully paid Equity Share of INR 2 each of the Transferee for every five fully paid up equity shares of INR 2 each held in the Transferor ("Share Entitlement Ratio") to the shareholders of the Transferor, holding fully paid up equity shares in the Transferor as on the Record Date.

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.

For BMP & Co. LLP,
Company Secretaries

Pramod S M
Partner
FCS No: 7834 CP No: 13784
UDIN: F007834A000580318

Place: Bengaluru
Date: 28th February 2020

This report to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
ABB Power Products and Systems India Limited
CIN: U31904KA2019PLC121597
21st Floor, World Trade Center, Brigade Gateway,
No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru - 560055

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 as 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 Accounts of the Company.
- 4 Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5 The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6 The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- 7 We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
- 8 We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP,
Company Secretaries

Pramod S M
Partner
FCS No: 7834 CP No: 13784
UDIN: F007834A000580318

Place: Bengaluru
Date: 28th February 2020

MD/CFO Certificate

Annexure 1

To
The Board of Directors
ABB Power Products and Systems India Limited

We certify that;

- A. We have reviewed financial statements and the cash flow statement of ABB Power Products and Systems India Limited for the period ended December 31, 2019 and that to the best of our knowledge and belief:
- 1 these statements do not contain any materially untrue statement or omit any material factor 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 transaction entered into by the Company during the period are fraudulent, illegal or violate 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: Mumbai
Date: February 28, 2020

Venu Nuguri
Managing Director
DIN:07032076

Ajay Singh
Chief Financial Officer

Annexure 2

Declaration by the Managing Director 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 period ended December 31, 2019.

For ABB Power Products and Systems India Limited

Place: Bengaluru
Date: April 30, 2020

Venu Nuguri
Managing Director
DIN: 07032076

Annexure 3

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of,
ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED
21st Floor, World Trade Center Brigade Gateway,
No.26/1, Dr. Rajkumar Road, Malleshwaram,
Bengaluru – 560055

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED having CIN: U31904KA2019PLC121597 and having registered office at 21st Floor, World Trade Center Brigade Gateway, No.26/1, Dr.Rajkumar Road, Malleshwaram, Bengaluru – 560 055 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial period ended on 31st December, 2019 (i.e for a period from the Date of Incorporation on February 19, 2019 to December 31, 2019) 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, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mukesh Hari Butani	01452839	24/12/2019
2	Frank Duggan	02937233	24/12/2019
3	Nishi Vasudeva	03016991	24/12/2019
4	Akila Krishnakumar	06629992	24/12/2019
5	Venu Nuguri	07032076	02/12/2019
6	Sanjeev Sharma	07362344	19/02/2019

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: February 28, 2020
UDIN number F007260A000580701

02

Financial Statements

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Independent Auditors' Report

To the Members of ABB Power Products and Systems India Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of ABB Power Products and Systems India Limited ("the Company"), which comprise the balance sheet as at December 31, 2019 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from February 19, 2019 (date of incorporation) to December 31, 2019 ("the period"), and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 December 31, 2019, and its profit and other comprehensive income, changes in equity and its cash flows for the period.

Basis for Qualified Opinion

We draw attention to Note 37 to the financial statements regarding the Scheme of Arrangement ('Scheme') for demerger of the power grid business of ABB India Limited with the Company. The scheme of arrangement ("Scheme") as envisaged and 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, which provided for inter alia the Demerger of the Power Grids Business of INABB ("Demerged Undertaking"), with an appointed date of April 1, 2019, has been approved by the National Company Law Tribunal ('NCLT') vide its order dated November 27, 2019 and a certified copy has been filed by the Company with the Registrar of Companies, Bangalore, on December 1, 2019. As per the applicable accounting standard Ind AS 103, since this demerger is a common control business combination, the financial information necessitates restatement by the transferee at carrying amounts not from the appointed date but from the beginning of the

preceding period in the financial statements which happens to be the date of incorporation i.e. February 19, 2019. Consequentially, the Company is required as per AS 103 to give effect to the business combination from February 19, 2019 (date of its incorporation). However, the Company has recognized the impact of the business combination only from April 1, 2019 (i.e. the appointed date specified in the scheme). Accordingly, we are unable to comment on the resultant impact on the Company's statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period from February 19, 2019 to March 31, 2019. However, there is no impact of the same on the Company's balance sheet as at December 31, 2019.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the 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.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows 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. 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 judgements and estimates that are reasonable and prudent; and 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 and Board of Directors are 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.

Board of Directors is 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 judgement 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a We have sought and, except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e On the basis of the written representations received from the directors as on December 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2019 from being appointed as a director in terms of section 164(2) of the Act.
- f The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- g With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at December 31, 2019 on its financial position in its financial statements - Refer Note 33 to the 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 Note 31 C to the financial statements; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current period is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Amrit Bhansali
Partner
Membership No: 065155
UDIN: 20065155AAAAAJ2036

Place: Bengaluru
Date: February 28, 2020

Annexure – A to the Independent Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the period from February 19, 2019 (date of incorporation) to December 31, 2019 (“the period”), we report that:

- i) a The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified every year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c All the immovable properties were acquired by the Company during the period, pursuant to a business combination. Accordingly, as per the information and explanations given to us and on the basis of our examination of the records of the Company and as per the scheme of arrangement which has been approved by the National Company Law Tribunal vide its order dated November 27, 2019, the title deeds of immovable properties included in property, plant and equipment are not yet held in the name of the Company. As explained to us, registration of the title deeds for such immovable properties mentioned in the table below, is in process.
- ii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (“the Act”). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to us, there are no loans, investments, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) a According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues have been regularly deposited during the period by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, service tax and duty of excise.

Total number of cases	Gross block (₹ in crores)	Net block (₹ in crores)
Freehold land (3 cases)	13.71	13.71
Leasehold land (1 case)	8.82	8.75
Buildings (32 cases)	165.77	155.02

- ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the Management during the period. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification between the physical stock and book records were not material. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, duty of customs, goods and services tax, cess and other material statutory dues were in arrears as at

December 31, 2019 for a period of more than six months from the date they became payable.

- b) According to information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of excise, value added tax, goods and services tax or duty of customs which have not been deposited by the Company on account of disputes.
- viii) According to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from any financial institution or bank or government or dues to debenture holders during the period.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors

or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for B S R & Co. LLP
Chartered Accountants
Firm's registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership number: 065155
UDIN: 20065155AAAAAJ2036

Place: Bengaluru
Date: February 28, 2020

Annexure B to the Independent Auditors' Report

On the financial statements of ABB Power Products and Systems India Limited for the period from February 19, 2019 to December 31, 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of ABB Power Products and Systems India Limited ("the Company") as of December 31, 2019 in conjunction with our audit of the financial statements of the Company from February 19, 2019 ('date of incorporation') to December 31, 2019 ('the period').

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at December 31, 2019, based on the internal financial controls with reference to financial statements 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were established and maintained and whether 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 financial statements.

Meaning of Internal Financial controls with Reference to 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 include 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 controls 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.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Amrit Bhansali
Partner
Membership No: 065155
UDIN: 20065155AAAAAJ2036

Place: Bengaluru
Date: February 28, 2020

Balance Sheet

All amount in Indian Rupees in crores, except as stated otherwise

Balance sheet as at December 31, 2019	Notes	December 31, 2019
Assets		
Non-current assets		
Property, plant and equipment	3	539.71
Capital work-in-progress	3	56.69
Goodwill	4	31.80
Other intangible assets	4	7.94
Financial assets		
Loans	5	4.58
Non-current tax assets (net)	6	11.53
Other non-current assets	7	2.79
		655.04
Current assets		
Inventories	8	493.20
Financial assets		
Trade receivables	9	1,792.85
Cash and cash equivalents	10	188.04
Loans	5	8.30
Other financial assets	11	125.58
Other current assets	12	225.72
		2,833.69
Total Assets		3,488.73
Equity and liabilities		
Equity		
Equity share capital	13	8.48
Other equity	14	831.34
		839.82
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	15	1.18
Deferred tax liabilities (net)	16	4.16
		5.34
Current liabilities		
Financial liabilities		
Borrowings	17	347.62
Trade payables		
Total outstanding dues to micro enterprises and small enterprises	18	6.46
Total outstanding dues to creditors other than micro enterprises and small enterprises	18	1,269.05
Other financial liabilities	15	254.70
Other current liabilities	19	626.28
Provisions	20	139.46
		2,643.57
Total Equity and liabilities		3,488.73

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date attached
for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of
ABB Power Products and Systems India Limited
Corporate identity number (CIN) : U31904KA2019PLC121597

Amrit Bhansali
Partner
Membership no.: 065155

Frank Duggan
Chairman
DIN: 02937233

Venu Nuguri
Managing Director
DIN: 07032076

Mukesh Hari Butani
Director
DIN: 01452839

Ajay Singh
Chief Financial Officer

Poovanna C Ammatanda
General Counsel &
Company Secretary
(FCS4741)

Place: Bengaluru
Date: February 28, 2020

Mumbai
February 28, 2020

Statement of Profit and Loss

All amount in Indian Rupees in crores, except as stated otherwise

Particulars	Notes	For the period from February 19, 2019 to December 31, 2019
Income		
Revenue from operations	21	3,230.74
Other income	22	0.47
Total income		3,231.21
Expenses		
Cost of raw materials, components consumed and project bought outs	23	1,752.22
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	24	55.55
Subcontracting charges		269.48
Employee benefit expenses	25	249.76
Depreciation and amortisation expense	26	48.41
Finance costs	27	26.38
Other expenses	28	567.97
Total expenses		2,969.77
Profit before exceptional items and tax		261.44
Exceptional items	37	40.79
Profit before tax		220.65
Tax expense:		
Current tax	16	62.20
Deferred tax	16	(6.94)
Profit for the period		165.39
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods:		
Re-measurement income on defined benefit plan		0.67
Income tax effect	16	(0.17)
Other comprehensive income for the period, net of income tax		0.50
Total comprehensive income for the period, net of income tax		165.89
Earnings per equity share of face value of INR 2 each	29	
Basic		44.69
Diluted		44.69

Summary of significant accounting policies 2

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Place: Bengaluru
Date: February 28, 2020

Mumbai
February 28, 2020

Statement of Cash Flow

All amount in Indian Rupees in crores, except as stated otherwise

Particulars	For the period from February 19, 2019 to December 31, 2019
A. Cash flows from operating activities	
Profit before tax	220.65
Adjustments to reconcile profit before tax to net cash flows provided by operating activities	
Depreciation and amortisation expense	48.41
Unrealised exchange loss/(gains) (net)	(0.71)
Mark to market change in forward and commodity contracts (Profit)/loss on sale of fixed assets (net)	(20.56) 0.34
Provision for doubtful debts and advances/Bad debts/advances written off	5.21
Interest income	(0.47)
Interest expense	26.38
Operating profit before working capital changes	279.25
Movement in working capital	
Increase/(decrease) in trade payables	192.93
Increase/(decrease) in other financial liabilities	(44.97)
Increase/(decrease) in other liabilities and provisions	14.72
(Increase)/decrease in trade receivables	(379.00)
(Increase)/decrease in inventories	(23.62)
(Increase)/decrease in other financial assets	123.82
(Increase)/decrease in loans and other assets	(162.06)
Cash generated from operations	1.07
Direct taxes paid (net of refunds)	(73.73)
Net cash flow used in operating activities	(72.66)
B. Cash flows from investing activities	
Purchase of property, plant and equipment	(79.28)
Proceeds from sale of property, plant and equipment	0.08
Purchase of intangible assets	(0.28)
Decrease in capital advances	6.24
Interest received	0.47
Net cash flow used in investing activities	(72.77)
C. Cash flows from financing activities	
Proceeds from borrowings	347.62
Interest paid	(14.15)
Net cash flow from financing activities	333.47
Net (decrease) / increase in cash and cash equivalents (A+B+C)	188.04
Effect of exchange (loss) / gain on cash and cash equivalents	-
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period (Refer note 10)	188.04
Components of cash and cash equivalents	
Cash and bank balances	188.04
	188.04

Note:

- Cash and cash equivalents at the end of the year represent cash and cheques on hand/remittance in transit and cash and deposits with banks.
- Cash flow statement is made using the indirect method.

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

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for and on behalf of the Board of Directors of

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(FCS4741)

Place: Bengaluru

Date: February 28, 2020

Mumbai

February 28, 2020

Statement of changes in equity

for the period from February 19, 2019 to December 31, 2019

a. Equity share capital:

Equity shares of INR 2 each issued, subscribed and fully paid

All amount in Indian Rupees in crores, except as stated otherwise

Particulars	Number of shares	Amount
As at February 19, 2019	50,000	0.01
Changes in equity share capital	42,331,675	8.47
As at December 31, 2019	42,331,675	8.48

b. Other equity

(₹ in Crores)

Particulars	Reserves and surplus					Total equity
	Securities premium	General reserve	Retained earnings	Capital reserve	Amalgamation adjustment deficit account	
As at February 19, 2019	-	-	-	-	-	-
Transfer pursuant to scheme of arrangement (Refer note 37)	9.80	507.10	149.93	0.18	(1.56)	665.45
Profit for the period	-	-	165.39	-	-	165.39
Other comprehensive income (net of tax)	-	-	0.50	-	-	0.50
As at December 31, 2019	9.80	507.10	315.82	0.18	(1.56)	831.34

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP
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for and on behalf of the Board of Directors of
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Place: Bengaluru
Date: February 28, 2020

Mumbai
February 28, 2020

Notes to the Financial Statements

1. Corporate information

ABB Power Products and Systems India Limited ('the Company') 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 will serve 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 Company has applied for listing its equity shares in India and its application is under consideration with Securities Exchange Board of India (SEBI). Once the Company is listed, its shares will be listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The financial statements are prepared from the date of incorporation i.e. February 19, 2019 to December 31, 2019 ('the period') and the same has been approved for issue by the Company's Board of Directors on February 28, 2020.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

A Statement of compliance

These financial statements are prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provision of the Act as amended from time to time.

B Functional and presentation currency

The financial statements are presented in Indian Rupees crores, 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, judgements and assumptions. These estimates, judgements 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 period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements 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 and judgements

2.3.1 Estimates

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. 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 30.

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.

2.3.2 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 34(b) - leases: whether an arrangement contains a lease; and
- Note 34(b) - lease classification;

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 projects business. 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;

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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

The Company has adopted Ind AS 115, "Revenue from Contracts with Customers". 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.

Revenue are stated exclusive of goods and service tax and net of trade and quantity discount.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

In case of large transformers, revenue is recognized on achievement of contractual milestone. Revenue recognized in excess of billing has been reflected under "Other financial assets" as unbilled revenue.

Revenues from long-term contracts are recognized 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.

Liquidated damages / penalties are provided for as per the contract terms wherever there is a delayed delivery attributable to the Company.

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 is recognized as per contract terms and when accrued.

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income is recognised on time proportion basis.

2.7 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income 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 income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income 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. The Company offsets current tax assets and current 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.

2.8 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 plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in statement of profit or 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. 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.

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
Leasehold land	98
Leasehold improvements	1-10
Factory buildings	15-30
Other buildings	3-60
Furniture and fixtures	10
Office equipment	3-5
Plant and equipment	2-21
Vehicles	5

Depreciation methods, useful lives and residual values are reviewed periodically, at each reporting date.

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	3-10
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 annually 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

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating leases are charged to statement of profit and loss on straight line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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, traded goods and stores and spares. Inventories are measured at the lower of cost and net realisable value.

The cost of various categories of inventories is arrived at as follows:

Stores, spares, raw materials, components and traded goods - 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

2.13.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

2.13.2 Subsequent measurement

a. Non-derivative financial instruments

i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business where the objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business where the objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. 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 of financial instruments

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 Other income

Other income is comprised primarily of interest income. Interest income is recognized using the effective interest method.

2.17 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.

2.18 Provisions & contingent liability 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 reasonably 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.

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.

Contingent liability

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.

2.19 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

Intangible assets and property, plant and equipment

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.

2.20 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 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.

2.21 Employee benefits

2.21.1 Gratuity & Provident Fund - 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.

The Company is in process of setting up trust for gratuity and provident fund.

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.

Provident fund has been considered as a defined benefit plan since any additional obligations on account of investment risk and interest rate risk are required to be met by the Company.

2.21.2 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 Company is in process of setting up the Superannuation Fund Trust.

2.21.3 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.

2.22 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.

2.23 Recent Indian Accounting Standards (Ind AS)

The following new standards and amendment to Ind AS have not been applied by the Company as they are effective for annual periods beginning on or after January 1, 2020:

Standards issued but not effective on Balance Sheet date:

Ind AS 116 - Leases

Ind AS 116, Leases

The Company is required to adopt Ind AS 116 Leases from January 1, 2020. Ind AS 116 replaces existing leases guidance, including Ind AS 17 Leases. Ind AS 116 introduces a single Balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

i. Leases in which the Company is a lessee

Under the new standard, the Company will be required to recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. The Company is in the process of evaluating the potential impact of the adoption of Ind AS 116 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimatable as at present.

ii. Leases in which the Company is a lessor

No impact is expected for leases in which the Company is a lessor.

iii. Transition

The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

An entity shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend. Therefore, the entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any significant impact of this amendment on its financial statements.

The amendment to Appendix C of Ind AS 12 outlines the following:

- a. whether an entity considers uncertain tax treatments separately - The entity shall use judgement to determine whether each tax treatment should be considered separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty and in determining the approach an entity might consider how it prepares its income tax filings and supports tax treatments; or how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.
- b. the assumptions an entity makes about the examination of tax treatments by taxation authorities. The entity shall assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

- c. how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The entity shall consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the aforesaid probability.

The Company does not expect any significant impact of this amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendment clarifies that when determining past service cost, or a gain or loss on settlement due to plan amendment, curtailment or settlement, an entity shall remeasure the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, including current market interest rates and other current market prices, reflecting:

- the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and
- the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and

Further, if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Company does not expect any significant impact of this amendment on its financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendment to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages and the entity shall re-measure its previously held interests in that business. The amendment to Ind AS 111 clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the amendment if and when it obtains control / joint control of a business that is a joint operation.

3 Property, plant and equipment and capital work-in-progress

All amount in Indian Rupees in crores, except as stated otherwise

	Owned assets									
	Freehold Land	Leasehold Land	Leasehold Improvements	Factory Buildings	Other Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Vehicles	Total
Gross carrying value										
As at February 19, 2019	-	-	-	-	-	-	-	-	-	-
Transfer pursuant to scheme of arrangement (Refer note 37)	13.71	9.53	0.36	130.16	25.74	477.97	5.99	13.02	0.34	676.82
Additions	-	-	-	7.95	1.92	49.46	0.12	1.00	-	60.45
Disposals						(4.99)	(0.06)	(0.29)	(0.03)	(5.37)
As at December 31, 2019	13.71	9.53	0.36	138.11	27.66	522.44	6.05	13.73	0.31	731.90

Accumulated depreciation										
As at February 19, 2019	-	-	-	-	-	-	-	-	-	-
Transfer pursuant to scheme of arrangement (Refer note 37)	-	0.71	0.17	2.89	1.24	144.07	1.81	2.42	0.18	153.49
Depreciation charge for the period	-	0.07	0.03	4.42	2.20	35.39	0.51	0.99	0.04	43.65
Disposals	-	-	-	-	-	(4.69)	(0.03)	(0.22)	(0.01)	(4.95)
As at December 31, 2019	-	0.78	0.20	7.31	3.44	174.77	2.29	3.19	0.21	192.19
Net carrying value as at December 31, 2019	13.71	8.75	0.16	130.80	24.22	347.67	3.76	10.54	0.10	539.71
Capital work in progress as at December 31, 2019										56.69

Notes:

- 1) There are no tangible assets given on operating lease.
- 2) Freehold land, leasehold land, factory buildings and other buildings transferred to the Company, pursuant to the scheme of arrangement, as detailed in note 37 is in the process of being registered in the name of the Company.

4 Intangible assets

(₹ in Crores)				
	Goodwill	Other intangible assets		Total
		Technical Know-how fees	Capitalised software	
Gross carrying value				
As at February 19, 2019				
Transfer pursuant to scheme of arrangement (Refer note 37)	31.80	33.36	2.41	35.77
Additions	-	-	0.28	0.28
As at December 31, 2019	31.80	33.36	2.69	36.05
Accumulated amortisation/impairment				
As at February 19, 2019				
Transfer pursuant to scheme of arrangement (Refer note 37)	-	22.18	1.17	23.35
Amortisation charge for the period	-	4.46	0.30	4.76
As at December 31, 2019	-	26.64	1.47	28.11
Net carrying value as at December 31, 2019	31.80	6.72	1.22	7.94
The carrying amount of goodwill was allocated to the cash generating units as follows:				December 31, 2019
Power Grids business				31.80
				31.80

Goodwill and CGU's impairment testing

The Company tests whether goodwill has suffered any impairment on an annual basis as at December 31. The recoverable amount of a Cash Generating Unit ('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 is mentioned below.

	December 31, 2019
Growth rate	5% - 6%
Operating margins	6% - 13%
Discount rate	9% - 10%

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.

5 Loans

	(₹ in Crores)	
	Non-current	Current
	December 31, 2019	December 31, 2019
(Unsecured considered good, unless otherwise stated)		
Security deposits	4.58	4.50
Loans to employees	-	3.80
	4.58	8.30

6 Non-current tax asset (net)

	(₹ in Crores)	
	December 31, 2019	
Advance income-tax (net of provision for tax)		11.53
		11.53

7 Other non-current assets

	(₹ in Crores)	
	December 31, 2019	
Capital advances		1.85
Advances recoverable in cash or kind (considered doubtful)		1.94
Less: Provision for doubtful advances		1.94
Taxes and duties recoverable		0.70
Prepaid rent		0.24
		2.79

8 Inventories (valued at lower of cost and net realisable value)

	(₹ in Crores)	
	December 31, 2019	
Raw materials and components (includes goods in transit goods of ₹109.08)		332.88
Work-in-progress		146.42
Finished goods		12.15
Traded goods		0.49
Stores and spares		1.26
		493.20

During the period ended December 31, 2019, INR 1.71 crores was recognised as an expense in relation to inventory obsolescence.

9 Trade receivables

	(₹ in Crores)	
	Non-current	Current
	December 31, 2019	December 31, 2019
Unsecured		
Considered good	-	1,792.85
Considered doubtful	-	107.91
Credit impaired	78.73	-
	78.73	1,900.76
Less:	78.73	107.91
Loss allowance on doubtful trade receivable	-	1,792.85

10 Cash and cash equivalents

(₹ in Crores)	
December 31, 2019	
Balances with banks	
- in current accounts	188.04
Cash and cash equivalents in the balance sheet and statement of cash flows	188.04

11 Other current financial assets

(Unsecured considered good, unless otherwise stated)

(₹ in Crores)	
December 31, 2019	
Deposits with customers	11.88
Contract revenue in excess of billing / unbilled revenue	66.45
Other receivables	22.95
Mark to market gain on forward contracts*	13.01
Mark to market gain on embedded derivatives*	11.29
	125.58

* Mark to market gain is identified and accounted based on the underlying contracts. The derivatives are recognised at fair value through statement of profit & loss.

12 Other current assets

(₹ in Crores)	
December 31, 2019	
Prepaid expenses	1.70
Contract assets (refer note 36)	171.08
Advances recoverable in cash or kind	42.57
Balance with government authorities	10.37
	225.72

13 Equity

(₹ in Crores)		
Share capital	As at December 31, 2019	
	Equity shares	
	Number of shares	Amount
Authorised share capital		
At February 19, 2019	250,000	0.05
Increase during the period	49,750,000	9.95
At December 31, 2019	50,000,000	10.00
Issued equity share capital		
Equity shares of ₹2 each issued, subscribed and fully paid up	Number of shares	Amount
At February 19, 2019*	50,000	0.01
Changes in equity share capital **	42,331,675	8.47
At December 31, 2019	42,381,675	8.48

*On incorporation of the Company, pursuant to the scheme of arrangement, the equity shares were held by ABB India Limited. (Refer note 37).

**On December 24, 2019, the Company issued 42,381,675 number of fully paid equity shares having face value of INR 2 each to the existing equity shareholders of ABB India Limited in the proportion of 1 share for every 5 shares held, pursuant to the scheme of arrangement. Further, 50,000 number of shares issued to the ABB India Limited at the time of incorporation of the Company has been cancelled as per the aforesaid scheme. (Refer note 37)

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

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.

Details of shareholders holding more than 5% of the shares in the Company

Name of the shareholders	Number of shares	% of holding
ABB Asea Brown Boveri Limited - the holding company	3,17,86,256	75.00%

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownerships of shares.

(₹ in Crores)		
Shares held by holding/ultimate holding company	Number of shares	Amount
ABB Asea Brown Boveri Limited - the holding company	31,786,256	6.36
	31,786,256	6.36

14 Other equity

(₹ in Crores)	
December 31, 2019	
a Securities premium	
Transfer pursuant to scheme of arrangement (Refer note 37)	9.80
Closing balance	9.80
b Retained earnings	
Transfer pursuant to scheme of arrangement (Refer note 37)	149.93
Net profit for the year	165.39
Other comprehensive income (net of tax)	0.50
Closing balance	315.82
c Amalgamation adjustment deficit account	
Transfer pursuant to scheme of arrangement (Refer note 37)	(1.56)
Closing balance	(1.56)
d Capital reserve	
Transfer pursuant to scheme of arrangement (Refer note 37)	0.18
Closing balance	0.18
e General reserve	
Transfer pursuant to scheme of arrangement (Refer note 37)	507.10
Closing balance	507.10
Total other equity	831.34

Nature and purpose of other reserves

a Securities premium

Securities premium acquired pursuant to scheme of arrangement and shall be utilised in accordance with the provisions of Companies Act, 2013.

b 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.

c Capital reserve

Capital reserve acquired pursuant to scheme of arrangement.

d General reserve

General reserve 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.

15 Other financial liabilities

	(₹ in Crores)	
	Non-current	Current
	December 31, 2019	December 31, 2019
Security deposits received	1.18	0.01
Payable towards purchase of fixed assets	-	39.25
Employee related payables	-	37.44
Interest accrued but not due	-	12.23
Mark to market loss on embedded derivatives*	-	8.98
Mark to market loss on forward contracts*	-	9.07
Other payables	-	147.72
	1.18	254.70

* Mark to market gain is identified and accounted based on the underlying contracts. The derivatives are recognised at fair value through statement of profit & loss.

16 Income tax

	(₹ in Crores)
	December 31, 2019
The major components of income tax expense for the period	
Statement of profit and loss:	
Current tax	62.20
Deferred tax	(6.94)
Income tax expense reported in the statement of profit and loss	55.26
Other comprehensive income	
Deferred tax related to items recognised in OCI during the year:	(0.17)
Income tax expense charged to OCI	(0.17)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate	
Accounting profit before income tax	220.65
At India's statutory tax rate of 25.17% for the period ended December 31, 2019	55.54
Adjustments in respect of current income tax	
Non-deductible expenses for tax purposes	0.34
Change in Income tax rate	(3.06)
Other deductible expenses for tax purpose	2.44
Income tax expense at effective tax rate of 25.04%	55.26
Deferred tax assets/(liabilities) relates to the following:	
Property, plant and equipment	(59.21)
Intangible assets and goodwill	(8.76)
Provision for doubtful debts and advances	47.47
Demerger related expenses	7.49
Expenditure debited to the statement of profit and loss but allowable for tax purpose in subsequent years	8.85
Net deferred tax assets/(liabilities)	(4.16)
Deferred tax assets	63.81
Deferred tax liabilities	(67.97)
Deferred tax liabilities, net	(4.16)

17 Borrowings (At amortized cost)

	(₹ in Crores)
	Current
	December 31, 2019
Loans from related party (Unsecured)	
Payable to ABB India Limited	347.62
	347.62

The above said loan is subsequently repaid on February 11, 2020.

18 Trade payables

	(₹ in Crores)
	Current
	December 31, 2019
Dues to micro and small enterprises *	6.46
	6.46
Dues to creditors other than micro and small enterprises	
Acceptances	213.65
Other trade payables	1,055.40
	1,269.05
	1,275.51

*The Company has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at December 31, 2019.

i) The principal amount and the interest due thereon remaining unpaid to any supplier as at December 31, 2019	
Principal amount	4.76
Interest	0.87
ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the period ended December 31, 2019	
Principal amount	-
Interest	-
iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	0.83
iv) The amount of interest accrued and remaining unpaid for the period ended December 31, 2019	1.70
v) The amount of further interest remaining due and payable for the earlier years.	-
vi) The amount (including interest) due as at December 31, 2019	6.46

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.

19 Other current liabilities

	(₹ in Crores)
	Current
	December 31, 2019
Billing in excess of contract revenue (Refer note 36)	280.83
Statutory dues payable	31.86
Advance from customer	313.59
	626.28

20 Provisions

(₹ in Crores)	
Current	
December 31, 2019	
Provisions for employee benefits	
Gratuity (Refer note 30)	3.76
Provident fund	0.12
Leave benefits	20.42
Other provisions	
Warranties	92.43
Loss orders	22.73
	139.46

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 made as at December 31, 2019 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 period ended December 31, 2019

(₹ in Crores)					
Class of provisions	Transfer pursuant to scheme of arrangement	Additions	Amounts used	Unused amounts reversed	As at December 31, 2019
Warranties	84.84	18.08	7.19	3.30	92.43
Loss orders	30.09	12.57	19.91	0.02	22.73

21 Revenue from operations (net)

(₹ in Crores)	
For the period from February 19, 2019 to December 31, 2019	
Sale of products and services	
Sale of products	2,483.24
Sale of services	706.58
	3,189.82
Other operating revenues	
Scrap sales	
Commission income	10.25
Income from development services	1.20
Miscellaneous income	26.93
	2.54
	40.92
Revenue from operations (net)	3,230.74

22 Other income

	(₹ in Crores)
	For the period from February 19, 2019 to December 31, 2019
Finance income	
Interest income:	
Interest on security deposit	0.07
	0.07
Other income	
Interest income	0.40
	0.40
	0.47

23 Cost of raw materials, components consumed and project bought outs

	(₹ in Crores)
	For the period from February 19, 2019 to December 31, 2019
Raw material and components consumed	
Inventory at the beginning of the period (Transfer pursuant to scheme of arrangement)	254.22
Add : Purchases during the period	1,830.88
Less : Inventory at the end of the period	332.88
Cost of raw materials consumed	1,752.22

24 (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods

	(₹ in Crores)
	For the period from February 19, 2019 to December 31, 2019
Transfer pursuant to scheme of arrangement	
- Finished goods	13.28
- Work-in-progress	200.86
- Traded goods	0.47
	214.61
Closing stock	
- Finished goods	12.15
- Work-in-progress	146.42
- Traded goods	0.49
	159.06
	55.55

25 Employee benefit expenses

	(₹ in Crores)
	For the period from February 19, 2019 to December 31, 2019
Salaries, wages and bonus	223.01
Gratuity expense (Refer note 30)	4.70
Provident fund expense (Refer note 30)	3.45
Contribution to superannuation and other funds	7.25
Staff welfare expenses	11.08
Training, recruitment and transfer expenses	0.27
	249.76

26 Depreciation and amortisation expense

	(₹ in Crores)
	For the period from February 19, 2019 to December 31, 2019
Depreciation of tangible assets	43.65
Amortisation of intangible assets	4.76
	48.41

27 Finance costs

	(₹ in Crores)
	For the period from February 19, 2019 to December 31, 2019
Interest expenses	18.80
Bill discounting and other charges	7.26
Interest expense on provisions measured at amortised cost	0.32
	26.38

28 Other expenses

	(₹ in Crores)
	For the period from February 19, 2019 to December 31, 2019
Consumption of stores and spares	18.21
Packing expenses	7.96
Royalty and technology fees	129.92
Freight and forwarding	79.59
Postage and telephone	0.94
Commission (other than sole selling agent)	3.42
Power and fuel	42.58
Travelling and conveyance	35.83
Insurance	15.95
Rates and taxes (net)	3.15
Rent	9.76
Repairs and maintenance:	
Buildings	1.33
Plant and machinery	15.27
Others	2.65
Provision for doubtful debts and advances / Bad debts / advances written off	5.21
Loss on sale of fixed assets (net)	0.34
Printing and stationery	1.09
Bank charges	1.39
Legal and professional*	12.88
Trademark fees	35.26
Information technology expenses	6.88
Exchange and commodity rate difference (net)	2.01
Services from third parties	29.30
Testing and inspection charges	8.26
Seminar and publicity expenses	3.09
Group management fees	66.03
Miscellaneous	29.67
	567.97
* Includes auditor's remuneration towards the following:	
Statutory audit and Group audit fees	1.58

29 Earning per share (EPS)

	(₹ in Crores)
	For the period from February 19, 2019 to December 31, 2019
The following reflects the income and share data used in the basic and diluted EPS computations	
Earnings	
Profit attributable to equity shareholders	165.39
Shares	
Weighted average number of Equity Shares outstanding during the period - basic	3,70,06,224
Dilutive effect on shares	-
Weighted average number of Equity Shares outstanding during the period - diluted	3,70,06,224
Earnings per share of par value INR 2/- each - Basic and diluted (in ₹)	44.69

30) Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan and provident fund plan and is in process of setting up the trusts to manage the aforesaid plans.

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 Asea Brown Boveri Ltd Employees Gratuity Fund on behalf of the Company.

Provident fund plan:

The Company manages provident fund plan through a provident fund trust for its employees which is permitted under the Provident Fund and Miscellaneous Provisions Act, 1952. The plan assets are held by ABB India Employees' Provident Fund Trust on behalf of the Company till the period November 30, 2019 and subsequently it has been remitted to the Regional provident fund organisation. The Contribution by employee and employer together with interest are payable at the time of separation from service or retirement whichever is earlier.

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.

	(₹ in Crores)
	December 31, 2019
A Gratuity	
The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:	
Gratuity provision	3.76
Total	3.76

(₹ in Crores)			
	Fair value of plan assets	Fair value of plan assets	Benefit liability
i. Changes in the defined benefit obligation and fair value of plan assets as at December 31, 2019:			
As at February 19, 2019	-	-	-
Transfer pursuant to scheme of arrangement	61.81	55.32	6.49
Gratuity cost charged to profit or loss:			
Service cost	3.54	-	3.54
Net interest expense	3.35	2.19	1.16
Total amount recognised in statement of profit and loss (Note 25)	6.89	2.19	4.70
Remeasurement (gains)/losses in other comprehensive income:			
Return on plan assets (excluding amounts included in net interest expense)	-	4.13	(4.13)
Actuarial changes arising from changes in financial assumptions			
Experience adjustments	2.12	-	2.12
Total amount recognised in other comprehensive income	1.34	-	1.34
Contributions by employer	3.46	4.13	(0.67)
Benefits paid	-	6.77	(6.77)
As at December 31, 2019	(2.81)	(2.82)	0.01
	69.35	65.59	3.76

(₹ in Crores)	
December 31, 2019	
ii Amount recognized in balance sheet	
Present value of funded obligations	69.35
Fair value of plan assets	65.59
Net funded obligation	(3.76)
Net defined benefit liability recognised in balance sheet	(3.76)
iii Expense recognised in profit or loss	
Current Service Cost	3.54
Interest Cost	1.16
	4.70
iv Remeasurements recognised in other comprehensive income	
Actuarial loss on defined benefit obligation	3.46
Return on plan assets excluding interest income	(4.13)
	(0.67)
v The major categories of plan assets of the fair value of the total plan assets are as follows:	
Investments quoted in active markets	
Government of India Securities (Central and State)	8.28%
High quality corporate bonds (including Public Sector Bonds)	6.45%
Cash	17.49%
Scheme of insurance - Conventional products	67.78%
Total	100.00%
vi The principal assumptions used in determining gratuity obligations are shown below:	
Discount rate	6.90%
Future salary increases	7.75%
vii The following payments are expected contributions to the defined benefit plan in future years	
Within the next 12 months (next annual reporting period)	3.46
Between 2 and 5 years	31.38
Beyond 5 years	45.07
Total expected payments	79.91
The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years.	

			(₹ in Crores)	
			December 31, 2019	
			Discount rate	Future salary increases
viii	A quantitative sensitivity analysis for significant assumption as at December 31, 2019 is as shown below:			
	Assumptions			
	Sensitivity analysis			
	1% increase		(5.08)	5.73
	1% decrease		5.83	(5.09)
	Impact on defined benefit obligation			
	The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.			

B Provident fund

				(₹ in Crores)		
				Defined benefit obligation	Fair value of plan assets	Benefit liability
i	Changes in the defined benefit obligation and fair value of plan assets					
	As at February 19, 2019					
			-	-		-
	Transfer pursuant to scheme of arrangement		208.18	204.63		3.55
	Current service cost		31.57	-		31.57
	Interest expense		19.97	19.77		0.20
	Return on plan assets		-	14.25		(14.25)
	Contributions		-	30.94		(30.94)
	Benefit payments		(17.73)	(17.73)		-
	Actuarial loss		9.99	-		9.99
	As at December 31, 2019		251.98	251.86		0.12

				(₹ in Crores)		
				December 31, 2019		
ii	Amount recognized in balance sheet					
	Present value of funded obligations					
						251.98
	Fair value of plan assets					
						251.86
	Net funded obligation					
						(0.12)
	Net defined benefit liability recognised in balance sheet					
						(0.12)
iii	The principal assumptions are shown below:					
	Discount rate					
						6.90%
	Expected return on EPFO					
						8.65% for the first year and 8.60% thereafter
iv	A quantitative sensitivity analysis for significant assumption as at December 31, 2019 is as shown below:					
	0.5% increase in discount rate					
						(5.22)
	0.5% decrease in discount rate					
						8.92

The sensitivity results above determine their individual impact on the plan's end of year defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite direction, while the plan's sensitivity to such changes can vary over time. Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach

v	The major categories of plan assets of the fair value of the total plan assets are as follows:	
	Investments quoted in active markets	
	Government of India Securities (Central and State)	52.14%
	High quality corporate bonds (including Public Sector Bonds)	34.20%
	Cash (including Special Deposits)	13.66%
	Total	100.00%
vi	The company contributed ₹ 3.45 Crores towards employer's contribution for provident fund during the period December 2019.	
vii	The provident plans are applicable only to employees drawing a salary in Indian Rupees and there are no other significant foreign defined benefit plans.	

31 Financial Instruments

A Fair value of financial assets and financial liabilities

The Company's assets and liabilities which are measured at amortised cost for which fair values are disclosed at December 31, 2019;

		(₹ in Crores)
Particulars		December 31, 2019
Financial assets at fair value/amortised cost :		
Loans (refer note 5)		12.88
Trade and other receivables (refer note 9)		1,792.85
Cash and cash equivalents (refer note 10)		188.04
Other financial assets (refer note 11)		101.28
Financial assets at fair value through profit and loss :		
Derivative instruments (refer note 11)		24.30
Total financial assets		2,119.35
Financial liabilities at fair value/amortised cost:		
Borrowings (refer note 17)		347.62
Trade payables (refer note 18)		1,275.51
Other financial liability (refer note 15)		237.83
Financial assets at fair value through profit and loss :		
Derivative instruments (refer note 15)		18.05
Total financial liabilities		1,879.01

B Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at December 31, 2019:

					(₹ in Crores)
Particulars	Amount	Level 1	Level 2	Level 3	
Financial assets at fair value through profit and loss :					
Derivative instruments (refer note 11)	24.30	-	24.30	-	
Financial liabilities at fair value through profit and loss :					
Derivative instruments (refer note 15)	18.05	-	18.05	-	

Valuation techniques 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.

There were no transfers between Level 1, Level 2 and Level 3 during the period.

The management assessed that the carrying value of trade receivables, loans, trade payables, other financial assets and liabilities and cash and cash equivalents approximate their fair values, due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount at which the instruments 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:

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.

C Financial risk management

The Company's principal financial liabilities 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, 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 and investments.

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 as on December 31, 2019.

Year	Commodity	Number of contracts	Contractual quantity	Buy/Sell
As at December 2019	Copper	23	783 MT	Buy
As at December 2019	Aluminium	2	74 MT	Buy

ii Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the SEK. 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 in foreign currency exposure

The following table analyses the unhedged portion of foreign currency exposure as at December 31, 2019:

Particulars	SEK	BDT	BTN	CNY	Others
Trade receivables (₹ in Crores)	55.83	4.00	7.68	-	4.18
1% increase	0.56	0.04	0.08	-	0.04
1% decrease	(0.56)	(0.04)	(0.08)	-	(0.04)
Trade payables (₹ in Crores)	-	10.39	3.30	9.27	2.11
1% increase	-	0.10	0.03	0.09	0.02
1% decrease	-	(0.10)	(0.03)	(0.09)	(0.02)

b) Fair value of derivative instruments

	(₹ in Crores)
	December 31, 2019
(a) Forward contract for export debtors outstanding	10.51
(b) Forward contract for import creditors outstanding	(9.07)
(c) Forward cover for expected future sales / purchases	2.50

c) Forward contracts outstanding as of December 31, 2019

(₹ in Crores)		
Currency	Number of contracts	December 31, 2019
Exports		
AUD	7	4.40
CHF	12	26.79
EUR	53	73.52
SEK	4	32.19
USD	154	158.33
		295.23

(₹ in Crores)		
Currency	Number of contracts	December 31, 2019
Imports		
CHF	33	52.61
EUR	88	93.15
SEK	67	116.27
USD	159	188.72
CNY	43	27.43
CNH	1	0.02
		478.20

iii Interest rate risk

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding payable to ABB India Limited.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crores)	
December 31, 2019	
Payable to ABB India Limited	347.62

The above loan carries an interest rate of 10%. The interest rate is fixed, hence there is no interest rate risk applicable for the Company. Further, the aforementioned loan has been subsequently repaid on February 11, 2020.

iv Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. 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

Trade receivables consists of a large number of customers spread across diverse industries.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, 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

Particulars	(₹ in Crores)
	December 31, 2019
Balance at the beginning of the period	-
Transfer as part of scheme of arrangement	190.92
Add: Additional ECL provision/(reversal)	(2.98)
Add: Additional provision	20.67
Less: Utilisation/reversal	21.97
Balance at the end of the period	186.64

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

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 and accordingly no provision for expected credit loss has been recorded.

v Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and debentures. 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.

Particulars	(₹ in Crores)			
	December 31, 2019			
	On demand	Less than 1 year	More than 1 year	Total
Period ended				
December 31, 2019				
Non-derivatives				
Borrowings	-	347.62	-	347.62
Other financial liabilities	-	236.65	1.18	237.83
Trade payables	-	1,275.51	-	1,275.51
Total non-derivative liabilities	-	1,859.78	1.18	1,860.96
Derivatives (net settled)				
Embedded derivatives	-	8.98	-	8.98
Foreign currency	-	9.07	-	9.07
Total derivative liabilities	-	18.05	-	18.05

32 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 equity holders of the parent. 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.

(₹ in Crores)	
Particulars	December 31, 2019
Borrowings	347.62
Trade payables	1,275.51
Other financial liabilities	255.88
Less: cash and cash equivalents	188.04
Net Debt	1,690.97
Total equity	839.82
Capital and net debt	2,530.79
Gearing ratio	67%

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 period ended December 31, 2019.

33 Contingent liabilities and contingent assets

(₹ in Crores)	
December 31, 2019	
Contingent liabilities (Claims against the Company not acknowledged as debts)	
Other matters	55.92
	55.92

The Company does not have any contingent assets at the balance sheet date.

The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/courts. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position.

In respect of the above contingent liabilities, the future cash outflows are determinable only on receipt of judgement pending at various forums/authorities.

34 Commitments

(₹ in Crores)	
December 31, 2019	
a Capital commitments	
Estimated amount of contracts remaining to be executed on account of capital commitments and not provided for (net of advances)	50.66
b Non-cancellable operating leases	
The Company has taken several premises and vehicles under cancellable and non-cancellable operating leases. These lease agreements are normally for one to five years and have option of renewal on expiry of lease period based on mutual agreement.	
Rental expenses towards cancellable and non-cancellable operating lease charged to the statement of profit and loss amounts to ₹9.76 crores for the period ended December 31, 2019.	
Some of the lease agreements have escalation clause ranging from 5% to 15%. There are no exceptional/restrictive covenants in the lease agreement. There are no assets given on operating lease.	
The schedule of future minimum lease payments in respect of non-cancellable operating leases is set out below:	
Within one year	9.45
Later than one year but not later than five years	26.62
Later than five years	-
Total	36.07
c Finance lease	
There are no assets taken on finance lease as on December 31, 2019.	

35 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, 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:

(₹ in Crores)	
Description	For the period from February 19, 2019 to December 31, 2019
Sale of products	2,483.24
Sale of services	706.58
Other operating revenues	40.92
Revenue from operations	3,230.74

ii Geographical information

(₹ in Crores)	
Revenue from customers	For the period from February 19, 2019 to December 31, 2019
India	2,699.97
Other countries*	530.77
	3,230.74

*Exports to any single country are not material to be disclosed

Non-current assets**	December 31, 2019
India	638.93
Other countries*	-
	638.93

** Non-current assets does not include deferred tax assets, financial instruments and non-current tax assets.

iii Power Grid Corporation of India Limited accounts for more than 10% of Company's total revenue from operations.

36 Revenue from contracts with customers

a Disaggregated revenue information

(₹ in Crores)	
Revenue by geography	For the period from February 19, 2019 to December 31, 2019
India	2,699.97
Other countries*	530.77
	3,230.74

* Exports to any single country are not material to be disclosed.

(₹ in Crores)	
Revenue by offerings	For the period from February 19, 2019 to December 31, 2019
Sale of products	2483.24
Sale of services	706.58
Other operating revenue	40.92
	3,230.74

b Contract balances

	(₹ in Crores)
	December 31, 2019
Trade receivables	1,792.85
Advance from customers (Contract liabilities)	313.59
Billing in excess of contract revenue	280.83
Contract assets	171.08
Contract revenue in excess of billing / unbilled revenue	66.45

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 period INR 54.93 crores of contract assets pertaining to the long term contracts as of April 1, 2019 has been reclassified to trade receivables upon billing to customers on completion of milestones.

During the period, the company has recognised of INR 173.04 crores arising from opening deferred income as of April 1, 2019.

c No significant adjustment 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:

Execution of long term contract for projects

- 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 inter-related 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.

For certain products like transformers and gas-insulated switchgears, percentage of completion is followed basis acceptance of "Factory Acceptance Test" (FAT) carried by the customer basis the Company's assessment that these products being manufactured have an alternative use till the time FAT is carried out.

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 December 31, 2019 is INR 5,100.65 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 December 31, 2019 from performance obligations satisfied (or partially satisfied) in previous periods due to no significant changes in transaction price.

37 Business restructuring

Scheme of arrangement

The Board of Directors of ABB India Limited on March 5, 2019 granted in-principle approval for the Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ('the Scheme') between ABB India Limited ('Demerged Company'), ABB Power Products and Systems India Limited ('Resulting Company') and their respective shareholders and creditors for the demerger of Power Grid business from ABB India Limited into ABB Power Products and Systems India Limited. The Scheme of Arrangement for Demerger was submitted to National Company Law Tribunal (NCLT), Bengaluru Bench for approval. In-principle approval of the Demerger Scheme was obtained from NCLT on November 27, 2019 and a certified copy has been filed by the Company with the Registrar of Companies, Bengaluru, on December 1, 2019. The financial statements of the Company have been prepared considering the effect of the scheme of arrangement from the Appointed date i.e., April 1, 2019. The scheme has been considered in these financial statements by transferring the assets and liabilities as identified by the management as pertaining to the Power Grid business of ABB India Limited to ABB Power Products and Systems India Limited with effect from the "Appointed Date" at their respective book values as follows:

(₹ in Crores)	
Particulars	Amount
Assets	
Property, plant and equipment	523.33
Capital work-in-progress	37.86
Goodwill	31.80
Other intangible assets	12.42
Other non-current assets	7.20
Other financial assets	270.85
Inventories	469.58
Trade receivables	1,407.44
Loans	8.25
Other current assets	63.39
Total-A	2,832.12
Liabilities	
Other financial liabilities	101.24
Deferred tax liabilities (net)	10.95
Trade payables	1,071.63
Other financial liabilities	223.30
Other current liabilities	608.10
Provisions	142.97
Total-B	2,158.19
Net assets (A-B)	673.93

As per the applicable accounting standard Ind AS 103 ('standard'), since this demerger is a common control business combination, the financial information necessitates restatement by the Company at carrying amounts not from the appointed date but from the beginning of the preceding period in the financial statements which happens to be the date of incorporation i.e. February 19, 2019. Consequentially, the Company is required to give effect to the business combination from February 19, 2019 (date of its incorporation). However, the Company has recognised the impact of the business combination only from April 1, 2019 (i.e. the appointed date specified in the scheme). The management believes that due to incoherence between the appointed date i.e., April 1, 2019 and date of incorporation i.e. February 19, 2019 and requirements of Ind AS 103 such a one-off situation has arisen. Thus, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period do not contain the impact of the transactions of the demerged undertaking from February 19, 2019 to March 31, 2019. However, there is no impact of the same on the Company's balance sheet as at December 31, 2019.

As consideration for the value of net assets transferred, the Company has issued 1 (One) fully paid up equity share of INR 2 each for every 5 (Five) Equity shares of INR 2 each held by existing shareholders in ABB India Limited. There is no contingent consideration payable pursuant to this acquisition.

Further, as per the Scheme, the deficit, if any, between the carrying value of assets, liabilities and reserves transferred to the "Resulting Company" and the consideration discharged by way of the New Equity Shares issued to the shareholders of the "Demerged Company" in lieu of the Demerged Undertaking has been recorded as 'Amalgamation Adjustment Deficit Account' in the books of the "Resulting Company".

Further, the Company has incurred the following cost due to the demerger which has been classified as exceptional items in the statement of profit and loss:

(₹ in Crores)	
Particulars	Amount
Stamp Duty charges	37.23
Professional charges	1.93
Others	1.63
Total	40.79

38 Related party disclosures

Party where control exists:

ABB Limited, Zurich, Switzerland (Ultimate Holding Company)

ABB Asea Brown Boveri Limited, Zurich, Switzerland (Holding Company)

Entities under common control

Name of the Fellow subsidiaries:

ABB (China) Ltd., Beijing, China
 ABB (Hong Kong) Ltd., Hong Kong, Hong Kong Special Administrative Region of China
 ABB (Namibia) (Pty) Ltd., Windhoek, Namibia
 ABB (Private) Ltd.; Harare; Zimbabwe
 ABB (Pty) Ltd., Gaborone, Botswana
 ABB A/S, Skovlunde, Denmark
 ABB AB, Västerås, Sweden
 ABB AG, Mannheim, Germany
 ABB AS, Billingstad, Norway
 ABB Asea Brown Boveri Ltd, Zurich, Switzerland
 ABB Australia Pty Limited, Moorebank, NSW, Australia
 ABB Automation GmbH, Mannheim, Germany
 ABB B.V., Rotterdam, Netherlands
 ABB Beijing Switchgear Limited, Beijing, China
 ABB Bulgaria EOOD, Sofia, Bulgaria
 ABB Business Services Sp. z o.o., Warsaw, Poland
 ABB Contracting Company Ltd., Riyadh, Saudi Arabia
 ABB Ecuador S.A., Quito, Ecuador
 ABB Electrical Equipment (Xiamen) Co., Ltd., Xiamen, China
 ABB Electrical Industries Co. Ltd., Riyadh, Saudi Arabia
 ABB Elektrik Sanayi A.S., Istanbul, Turkey
 ABB Engg. Technologies Co. (KSCC), Safat, Kuwait
 ABB Enterprise Software (PGHV US non-legal entity), Mt. Pleasant, PA, United States
 ABB Enterprise Software Inc., Atlanta, GA, United States
 ABB for Electrical Industries (ABB ARAB) S.A.E., Cairo, Egypt
 ABB Global Industries and Services Private Limited, Bangalore
 India ABB Global Marketing FZ LLC, Dubai, United Arab Emirates
 ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China
 ABB High Voltage Switchgear Co., Ltd. Beijing, China
 ABB Inc., Cary, NC, United States
 ABB Inc., Saint-Laurent, Quebec, Canada
 ABB India Limited, Bangalore, India
 ABB Industries (L.L.C.), Dubai, United Arab Emirates
 ABB Industries FZ, Dubai, United Arab Emirates
 ABB Information Systems Ltd., Zurich, Switzerland
 ABB Jiangsu Jingke Instrument Transformer Co., Ltd., Suqian, Jiangsu, China
 ABB K.K., Tokyo, Japan
 ABB Limitada, Maputo, Mozambique
 ABB Limited/Jordan LLC., Amman, Jordan
 ABB Limited, Auckland, New Zealand
 ABB Limited, Bangkok, Thailand
 ABB Limited, Dar Es Salaam, United Republic of Tanzania
 ABB Limited, Dhaka, Bangladesh
 ABB Management Services Ltd., Zurich, Switzerland
 ABB Mexico S.A. de C.V., San Luis Potosi SLP, Mexico
 ABB N.V., Zaventem, Belgium
 ABB Near East Trading Ltd., Amman, Jordan
 ABB Oy, Helsinki, Finland
 ABB PG Muscat LLC; Muscat, Oman
 ABB Power Grids Argentina S.A.U., Ciudad Autonoma de Buenos Aires, Argentina
 ABB Power Grids Australia Pty Ltd, Brisbane, Queensland, Australia
 ABB Power Grids Bulgaria EOOD, Sevlievo, Bulgaria
 ABB Power Grids Canada Inc, Saint-Laurent, Quebec, Canada
 ABB Power Grids Chile SA, Santiago, Chile

ABB Power Grids Colombia Ltda, Bogotá, Colombia
 ABB Power Grids Denmark, A/S, Skovlunde, Denmark
 ABB Power Grids Germany AG, Mannheim, Germany
 ABB Power Grids Greece Single Member SA; Metamorphosis Attica, Greece
 ABB Power Grids Hong Kong Limited, Hong Kong, Hong Kong Special Administrative Region of China
 ABB Power Grids Italy S.p.A., Milano, Italy
 ABB Power Grids Ltd., Moscow, Russian Federation
 ABB Power Grids Malaysia Sdn Bhd, Kuala Lumpur, Malaysia
 ABB Power Grids Peru S. A., Lima, Peru
 ABB Power Grids Poland Sp. z o.o., Warsaw, Poland
 ABB Power Grids Singapore Pte. Ltd., Singapore
 ABB Power Grids South Africa (Pty) Ltd, Johannesburg, South Africa
 ABB Power Grids Sweden AB, Västerås, Sweden
 ABB Power Grids Switzerland Ltd, Baden, Switzerland
 ABB Pte. Ltd., Singapore
 ABB S.A., Buenos Aires, Argentina
 ABB S.A., Casablanca, Morocco
 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, Democratic Republic of the Congo
 ABB Schweiz AG, Baden, Switzerland
 ABB Sécheron S.A., Satigny, Switzerland
 ABB Sifang Power System Co. Ltd.; Beijing, China
 ABB South Africa (Pty) Ltd., Modderfontein, South Africa
 ABB Sp. z o.o., Warsaw, Poland
 ABB Asea Brown Boveri SRL, Bucharest, Romania
 ABB Substations Contracting India Private Limited, Bangalore, India
 ABB Supply Operations Ltd., Baden, Switzerland
 ABB Technologies Ltd., Haifa, Israel
 ABB Limited, Dublin, Ireland
 ABB Limited, Nairobi, Kenya
 ABB Limited, Warrington, United Kingdom
 ABB LLC, Muscat, Oman
 ABB LLC, Doha, Qatar
 ABB Ltd., Hanoi, Vietnam
 ABB Ltd., Lusaka, Zambia
 ABB Ltd., Moscow, Russian Federation
 ABB Ltd., Seoul, Republic of Korea
 ABB Ltd., Taipei, Taiwan (Chinese Taipei)
 ABB Ltda., São Paulo, Brazil
 ABB Malaysia Sdn Bhd., Subang Jaya, Malaysia
 ABB Management Holding Ltd., Zürich, Switzerland
 ABB Technology SA, Abidjan, Cote d'Ivoire
 ABB Transmission & Distribution Limited LLC, Abu Dhabi, United Arab Emirates
 ABB Xi'an Power Capacitor Company Limited, Xi'an, China
 ABB, Inc., Paranaque, Metro Manila, Philippines
 ABBNG Limited, Lagos, Nigeria
 Asea Brown Boveri Lanka (Private) Limited, Colombo, Sri Lanka
 Asea Brown Boveri Ltd., Moka, Mauritius
 Asea Brown Boveri S.A., Madrid, Spain
 PT ABB Sakti Industri, Jakarta, Indonesia
 Pucaro Elektro-Isolierstoffe GmbH, Roigheim, Germany
 Sucursal Panama de ABB SA, Panama
 Trasfor SA; Monteggio; Switzerland

Key managerial personnel :

a **Managing Director**

Venu Nuguri

b **Non-Executive Director**

Sanjeev Sharma

c **Non-Executive cum Independent Directors**

Akhila Krishnakumar
 Nishi Vasudeva
 Mukesh Hari Butani
 Frank Duggan

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'.

	For the period from February 19, 2019 to December 31, 2019
i Revenue from operations	
Fellow Subsidiaries	
- ABB India Limited; Bangalore; India	453.19
- ABB Schweiz AG, Baden, Switzerland	90.86
- Other fellow subsidiaries	279.04
	823.09
ii Purchases of raw materials, components, project items and traded goods	
Fellow Subsidiaries	
- ABB India Limited; Bangalore; India	229.17
- ABB Power Grids Sweden AB; Västerås;	86.13
- Other fellow subsidiaries	159.41
	474.71
iii Expenditure on royalty, technology and trademark fees	
Holding Company	35.26
Fellow Subsidiaries	129.64
- ABB Schweiz AG, Baden, Switzerland	0.28
- Other fellow subsidiaries	165.18
iv Expenditure on information technology, engineering, management and other services	
Ultimate Holding Company	0.09
Fellow Subsidiaries	
- ABB Management Holding Ltd.; Zürich; Switzerland	55.82
- ABB India Limited; Bangalore; India	24.62
- Other fellow subsidiaries	29.54
	110.07
v Expenses recovered from group companies	
Fellow Subsidiaries	
- ABB Power Grids Chile SA; Santiago; Chile	2.34
- PT ABB Sakti Industri; Jakarta; Indonesia	2.16
- ABB Power Grids Argentina S.A.U.; Ciudad Autonoma de	1.86
- ABB Management Holding Ltd.; Zürich; Switzerland	1.81
- Other fellow subsidiaries	7.76
	15.93
vi Other capital expenditure	
Fellow Subsidiaries	
- ABB India Limited; Bangalore; India	2.96
- ABB Power Grids Sweden AB; Västerås; Sweden	0.97
- ABB Schweiz AG; Baden; Switzerland	0.61
- Other fellow subsidiaries	0.27
	4.81
vii Interest expenses	
Fellow Subsidiaries	
- ABB India Limited; Bangalore; India	12.23
viii Loan taken	
ABB India Limited; Bengaluru; India	347.62

For the period from
February 19, 2019 to December 31, 2019

ix Remuneration to key managerial personnel

The remuneration of key management personnel and a relative of key management personnel of the company are set out below in aggregate for each of the categories specified in Ind AS 24 related party disclosures.

Particulars	
Short-term employee benefits	0.32
Post employment benefits#	0.02
Directors' sitting fees	-
Commission to Directors	-
Total	
# Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation	

c 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".

As at December 31, 2019

i Trade receivables	
Fellow Subsidiaries	
- ABB India Limited; Bangalore; India	589.34
- Other fellow subsidiaries	123.36
	712.70
Add/(Less): Impact of foreign currency restatement	1.11
	713.81
ii Other financial assets	
Fellow Subsidiaries	
- ABB India Limited; Bangalore; India	18.91
- ABB South Africa (Pty) Ltd.; Modderfontein; South Africa	12.03
- Other fellow subsidiaries	6.58
	37.52
Add/(Less): Impact of foreign currency restatement	-
	37.52
iii Other current assets	
Fellow Subsidiaries	
- ABB Power Grids Sweden AB; Västerås; Sweden	6.46
- ABB Schweiz AG, Baden, Switzerland	1.42
- Other fellow subsidiaries	0.40
	8.28
Add/(Less): Impact of foreign currency restatement	0.29
	8.57
iv Trade payables	
Fellow Subsidiaries	
- ABB India Limited; Bangalore; India	243.13
- ABB Power Grids Sweden AB; Västerås; Sweden	65.03
- Other fellow subsidiaries	96.90
	405.06
Add/(Less): Impact of foreign currency restatement	2.48
	407.54
v Other financial liabilities	
ABB India Limited; Bangalore; India	4.39
Fellow Subsidiaries	
- ABB Schweiz AG; Baden; Switzerland	0.68
- Other fellow subsidiaries	1.20
	6.27
Add/(Less): Impact of foreign currency restatement	0.06
	6.33

		As at December 31, 2019
vi	Other current liabilities	
	Fellow Subsidiaries	
	- ABB South Africa (Pty) Ltd.; Modderfontein; South Africa	22.81
	- ABB Schweiz AG, Baden, Switzerland	2.59
	- Other fellow subsidiaries	3.40
		28.80
	Add/(Less): Impact of foreign currency restatement	0.16
		28.96

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of
ABB Power Products and Systems India Limited
Corporate identity number (CIN) : U31904KA2019PLC121597

Amrit Bhansali
Partner
Membership no.: 065155

Frank Duggan Chairman DIN: 02937233	Venu Nuguri Managing Director DIN: 07032076	Mukesh Hari Butani Director DIN: 01452839
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Ajay Singh Chief Financial Officer	Poovanna C Ammatanda General Counsel & Company Secretary (FCS4741)
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Place: Bengaluru
Date: February 28, 2020

Place: Mumbai
Date: February 28, 2020



ABB Power Products and Systems India Limited

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Bengaluru - 560 092

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