

Date: May 11, 2020

BSE Limited P.J. Towers Dalal Street Mumbai 400 001 (Atten:DCS CRD)	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai 400 051
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Atten: Listing Department

Dear Sirs

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

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

Please note that, as per our intimation letter dated April 29, 2020 and in furtherance to letter dated April 30, 2020 wherein we had shared the copy of Investors presentation and Press release, a conference call was organized on Thursday, April 30, 2020 with Investors / Analysts at 15:30 hrs.

We now enclosing the transcript of the said call which will also be uploaded on the Company's website at <https://new.abb.com/grid/appsil>


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: 2020.05.11 18:44:55 +05'30'

Poovanna Ammatanda

General Counsel, Company Secretary and Compliance Officer

Encl: as above



**“ABB Power Products and Systems India Limited 2020
Q1 Results Conference Call”**

April 30, 2020



MANAGEMENT OF ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED:

MR. VENU NUGURI – MANAGING DIRECTOR

MR. AJAY SINGH – CHIEF FINANCIAL OFFICER

**MR. POOVANNA AMMATANDA – GENERAL COUNSEL &
COMPANY SECRETARY**



Moderator: Ladies and gentlemen, good day. And welcome to the ABB Power Products and Systems India Limited 2020 Q1 Results Call. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. N. Venu – Managing Director, ABB Power Products and Systems India Limited. Thank you and over to you, sir.

Venu Nuguri: Thank you, Disha. And good afternoon, ladies and gentlemen. Thank you for joining us today as we announce the first quarter results of our company, ABB Power Products and Systems India Limited for investors and the analyst community. I hope you and your families are keeping safe and well during this unprecedented COVID-19 pandemic. While I am sharing my slides now, you can also see the slides we have just now uploaded on BSE and NSE. Those who are not seeing, if you want, I can take the reference of the slide numbers. But those who are seeing readily, you can see that.

So, many of you would by now be familiar with our journey so far. On 3rd of April we talked to you. But I understand that some of you missed attending. So, let me just take you through first four, five slides. Once again, I will briefly introduce ourselves – ABB Power Products and Systems India Limited, who we are and what kind of portfolio we do.

Moving to the slide, our heritage, we are ABB Power Products and Systems India Limited, the Indian arm of ABB power grids, a global leader in power technologies, providing the most comprehensive grid portfolio across the entire value chain, right from generation, transmission, distribution and consumption. Our products and components, software and automation systems and services solutions help meet the growing demand for electricity with minimum environmental impact. Look at our heritage in India slide. With a rich heritage of innovation going back six decades in the country, we have developed a world-class manufacturing base, commissioned landmark projects and invested ourselves in shaping future talent in India.

Next slide: we are spread across 17 sales offices, 16 manufacturing units located in five locations – mainly Maneja, Savli and Halol, and then Peenya and Mysore. We have more than 2,000 employees, serving 1,000 customers. We have customers in utility industry, transport and infrastructure space, for whom right from the planning stage through building, operating and maintenance stages, we provide our sustainable power infrastructure. Our pioneering technologies encompass the full range of grid automation, grid integration, high voltage products and transformer solutions, which ensure a stronger, smarter and greener grid.

As you can see from the slide of our portfolio, we operate in four business lines: grid automation – end-to-end automation solutions – right from the conventional CRT substation automation to the much more grid-edge solutions or asset management, energy portfolio management and the communication portfolio. Grid integration – right from conventional substations – AIS or GIS – to HVDC, grid interconnection, city in-feeds, FACTS, power quality and the world-class flash-



charging technology, TOSA. High-voltage products: GIS or AIS, circuit breaker, switchgear and disconnectors, capacitors and filters are part of this portfolio. In transformers, we have power transformers of all ranges. We have dry-type transformers, reactors, installation components, traction transformer and bushings, and so on and so forth. So, this is our entire portfolio through which we are solving customer problems across utilities, industries and infrastructures.

Then off to the next slide, sustainability. It's not just in energy, but in all aspects. The environmental and social stewardship to complement economic growth. Our business has its foundation in sustainable and socially responsible business practices. I am proud to share with you that, you can see also from the slide, more than a quarter of our operations run on renewable energy. More than 95% of our waste is recycled, and about 12% of our used water is reutilized. We have also set up a community health camps for 10,000 people, resolved safety hazards in our work sites. For Power Grids, safety and integrity is our basic license to operate. We all ensure that the people who work for us, directly or indirectly, go home safely every day. So, in that direction, we take every measure to see that the people are really safe. We have done all this being mindful that sustainability has to be implemented in all aspects of business and social engagements. We are committed to any governmental and social stewardship to complement economic growth as a leader in our field.

Having said that, let me give you a brief overview of the sectors we operate in. I know that you are very keen to know those sectors. The next slide we talk about is on the market overview and the sectors we operate in. We all know that we have a short-term challenge but let me take you through the medium-term prospects. The power and energy landscape is fast changing, as we all know, because basically so much of renewables are penetrating. While generation installed capacity is being steadily increased, growth in distributed energy sources is accelerating in double digits. Over the next two years, grid connected solar capacity is expected to increase at a compound annual growth rate of 45%, which is basically taking you up to 100 gigawatts. Alongside, the number of substations, particularly those based on gas insulated switchgear, will also rise significantly. It's partly due to the requirement of space in many cities, even in Tier 2 cities. New transmission lines are already being added to carry power from power generation plants to new load centers in support of government of India's Power for All mission. And on the transport and infrastructure, the way power is consumed is also evolving rapidly. We are looking at 100% rail electrification at some point and see by 2022 or 2023, more than 60,000 kilometers of rail network will be electrified. And this is up from 25,000 kilometers in 2015. This is giving huge opportunities for our portfolio, especially for loco and track-side transformers as well as for fixed installation, automation, SCADA and other related things. When it comes to e-mobility, our take is that by 2025 we will have about 7,000 buses running on electric power instead of oil or diesel. Even though right now we have a low base of around 500 of those today, e-mobility overall has got a big push in FAME 2 scheme as well as in Budget 2020-21. You will see later how our portfolio would leverage on this particular growth market.

In our view, the next level of growth will be in digitalization in various forms – railway infrastructure, smart cities, renewables, aviation, and road transport.



We know that today more people are flying domestically as well as internationally. In fiscal year 2019, passenger traffic was more than 300 million across Indian airports. By 2040, India is likely to become the third largest aviation passenger market, according to Airport Council International. To handle that, about 100 more airports are in the pipeline under various schemes. Delhi-Mumbai Expressway, Chennai-Bangalore e-way under development reflect the passage of people to a more modern economy. And as India races towards urbanization, services like new metros will intensify power load in city centers.

Further, India's need for information is rising exponentially. You know how much data we use. We are already the second largest online market in the world, and by next year, we will have 600 million internet users. This will result in a jump in datacenters. Datacenter is one of the key growth segments for Power Grids, both globally as well as locally. Renewables, and consequently energy storage, will play a key enabling role in powering such a surge in demand. All these segments will work in tandem to support India's ambition to become a \$5 trillion economy and usher a new wave of opportunities for the power sector.

While the fundamentals are strong in the medium- to long-term, we all know that we have a challenge in the short-term. We are all facing a crisis, a global pandemic. COVID-19 is impacting our lives, impacting our economy and impacting every industry we are in. In our estimate, the worst-case scenario is 1-2% GDP growth and the best scenario is 4%, but likely in the range of 2-3%. While there are long-term perspectives in the market, we are hopeful of a timely recovery. We are seeing the pandemic's impact across sectors, across industry, across regions. Even though our government has been acting proactively to soften its blow to the economy with stimulus packages - the central bank is also easing monetary policies, with rate cuts and moratoriums on interest payments - think tanks around the world have proceeded from estimating the probability of a slowdown to estimating its quantum.

When it comes to India and also when it comes to our company, we are in strict weeks' long lockdown, the most extensive in the world, this has impacted economic activity right from the dominant service sector to the industry to agriculture. While a large part of our offerings enables essential services, our company has obviously been affected to a moderate extent because of our exposure to industry, service industry and so on. We shut down our factories from the day the government announced the lockdown, we also closed our sites. Now, we are slowly opening them.

With this, I would like to talk about how we performed in the first quarter of the year. As you can see in the slides, we established ourselves as a new standalone legal entity this year. Thanks to our continuous engagement with customers all the way and pursuit to innovate new strategies to maintain our strong market position, we scored several successes despite trade uncertainties and ongoing lockdown.

We booked milestone orders for our substations, substation automation solutions and network-building blocks like transformers and high voltage switchgear from utility and industrial



customers, and initiated pilots for digital transformers application for city grid and renewable integration. Besides, in the transportation segment, as I was telling you previously, in addition to the traction-based orders, we entered into an MoU to deploy our innovative flash-charging technology, TOSA, for e-buses for sustainable mobility. With all that, you can see that our orders have grown compared to last year's first quarter; last year's first quarter is not part of our new company, that was part of ABB India announcement as a discontinued business. But for a comparative purpose, I can give you the numbers. You can also take the numbers from ABB India's announcement of the first quarter last year. So, we have grown our orders in this first quarter despite COVID. We are very strong, close to 39%. The strong growth is driven by both domestic market as well as our exports.

Our revenue was Rs. 812 crores. Compared to the same last year quarter, we were down by around 10% because our factories and our sites were shut down from around 23rd onwards. Factories in some states from 23rd and others, 25th onwards. All in all, we had solid order book and steady margin, you can also see our margins for both PBT as well as PAT. In spite of the drop in revenue, we could maintain good momentum. I am very happy that our strong execution and delivery ensured we were cash positive in this quarter as well.

If I go to the next slide on quarter highlights, we received Rs. 165 crore order from IOCL to strengthen power infrastructure for refinery expansion. As you know IOCL is in the middle of big expansion. Similarly, rail and metro continue to generate demand for traction equipment and power automation. Traditional transformer converted to digital transformer, and in digitalization we received quite a good number of orders for these kinds of sectors. We are engaging with our customers by participating in several things. We have opened our Digital Experience Centre in our brand-new corporate office in Bangalore. We signed a pilot to develop and test new electric buses using our world-class flash-charging technology, TOSA. This technology enables to charge the buses in less than 20 seconds. So less than 20 seconds while the passengers are boarding or getting out, so the bus can carry more passengers. That's the way we have signed with Ashok Leyland and we hope to get this pilot running in Chennai before this year end.

To give you a segment-wise analysis of our position: the majority of our orders came from utilities and industry as a result of direct engagement with customers. As I mentioned earlier, orders were to a large extent for our products, followed by project-wide involvement. Our strategy also was to supply more services, products and digital components, as I discussed previously. Significant opportunities arose out of transportation and infrastructure, with rail orders holding a dominant share. You can also see the segmental view from the utilities and industries, rail and infrastructure. This quarter, solar orders were a bit slow to come because not many projects were awarded. Exports is one of our key growth segments. It is the cornerstone of our strategy to leverage the manufacturing base we have in India. We received a lot of export orders for transformers for project in Tanzania and made headway into new emerging power markets such Uruguay, strengthened the grid in Vietnam, and signed deals with customers in Angola, Bhutan, Chile and many other countries. That's why our exports have been very robust in this quarter.



I would also like to highlight the customer engagement in the time of lockdown. We all know that these are unprecedented times and everyone is wrapped in a midst of uncertainty. At ABB Power Products and Systems India Limited, we understand how our customers will be looking for more clarity from their partners to sail through testing waters.

Hence, we have actively been working to devise new strategies to interact and collaborate with them. Active, empathetic and seamless virtual engagement has been our priority. We have leveraged our Power Technology Center, a university for training on power, and our newly launched Power Digital Experience Center in Baroda to give live sessions to our customers on various topics, right from conventional power systems to thought leadership and more emerging topics. I am happy to tell you that we have touched more than 3,000 customers at various levels in the last three to four weeks.

Another interesting thing which all of you know is the 9 minute 9pm country-wide lights off incident. On April 5th, our Honourable Prime Minister had asked India to turn off residential lights to show solidarity amidst the coronavirus outbreak. You all know that those 9 minutes India switched off lights was not an easy event to manage for our grid operators. There were also several news items on what happens to the grid. Given ours is the largest synchronous grid in the world, power demand dropped more than 30 gigawatts suddenly, resulting in a supply glut. Any lapse in managing the power network would have resulted in a major blackout causing severe grid damage. We all know that grid complexity is much higher today, because multiple energy sources, right from thermal to solar to wind, gas and hydro are connected to the grid, and supply from each needs to be adjusted to ensure normalcy in power supply.

In addition to that, in today's grid there are several feed-in points and equally more takeoff points. Thus, we actively supported various stakeholders in the power network to successfully meet this challenge. Right from our CXO to operational level staff were connected with our customers involved in the exercise. Engineers, technical experts were deployed across the country and ready to step in for any emergency support. And customer connect centers were put on standby to manage customer calls. In addition to our commitment to our customers, this was also a testament to the dependability of our solution, our grid automation solutions, assisted by reliable and efficient communication and SCADA systems that allow remote monitoring and control, besides providing timely and actionable insights into the health and performance of mission critical power infrastructure. Our partners handled the event with absolute grace with all our authorities and our planners and our grid operators. They did so much that the event went off very well. This feat achieved in a state of lockdown speaks volumes about the credibility of our digital solutions. It also paves the way for India Inc. to confidently steer through this new normal phase with intelligent digital solutions.

You may be wondering why I mentioned this? I mentioned this to express my faith even in this time of crisis. I mentioned this to tell you that we are stronger than these times and smarter together. And that we will all pull through with collaboration, engagement, smart decisions and a futuristic mindset.



With this ladies and gentlemen, let me walk you through our numbers.

I had told you also that Q1 of last year was not part of our new company; it was part of ABB India's discontinued business. But, for comparative purpose, I have already told you the numbers. We had strong order booking, good cash collection despite challenging environment. Our team delivered a solid order book, building on domestic and export market. To give an idea, on a like-to-like basis, I told you around we had 40% year-on-year growth compared to the PG business as part of the ABB India organization. Our revenue was Rs. 812 crores. Our relentless pursuit of traditional markets, complemented by headway into new areas, helped us deliver a consistent performance and stay in the green.

While the lockdown caused by the coronavirus outbreak led to revenue slippages along the way because we had closed down our factories, closed our sites, strong execution and delivery ensured we remained cash positive. Our momentum was supported by our transformation initiatives that focused on shaping a leaner and more agile organization, allowing us to meet customer needs even during this time of crisis.

Our profit before tax before exceptional item was Rs. 42 crores, while profit after tax was Rs. 29 crores. Despite the demerger expenses of about Rs. 2 crores, our PAT grew by 7.4% on a year-on-year basis. And operational EBITA margin was 7%, up 200 basis points compared to the same quarter in the previous year.

As of March 31, our order backlog was Rs. 5,192 crores which will provide revenue visibility in the coming quarters as lockdown conditions ease and we start seeing a soft economic recovery. Over the coming months and years, we will be growing our portfolio and further strengthening our market position. We are constantly striving to define and create our future organization and are excited about the strategic direction and additional opportunities for collaboration and innovation we can create for our customers, while paving the way for predictable earnings and cash returns. We are excited about the opportunities ahead of us and are confident of our role in shaping the future of sustainable energy with our pioneering technology as the partner of choice to our customers for enabling a stronger, smarter and greener grid.

Ladies and gentlemen, with this, I would now request operator to open the channel for your questions. And me and our CFO, Ajay, and our General Counsel Poovanna, would be happy to take questions.

Moderator:

Thank you very much. Ladies and gentlemen, we will now begin the question and answer session.

We take the first question from the line of Jonas Botha from PhillipCapital. Please go ahead.



Jonas Buta: Good evening sir and I hope everybody at APPSIL is safe and healthy. Just a couple of questions from my side. Firstly, if I just want to pick up on one of the comments that you made, as you see cash collection from customers at risk. But when you put that into perspective on the breakup or the sector mix that you shared with us on the order book, which is sort of 50% utility out of which more than 55% is direct sales and 70% of your orders are product orders which are through direct sales. This comment of yours is reflective of which end market, particularly if you can highlight, because are you seeing stress even in utilities in terms of cash collection? That's the first questions.

Venu Nuguri: Thanks for your question. No, my comment was that there are many customers during the lockdown who are not in a position to operate remotely and release payments. Some of our customers like traditional utilities they will we'll be working in phased movement to release over payments, and that's where my comment is coming from in that. Due to the lockdown, many were also closed down. Even though we were cash positive, we slipped collecting some amount from them.

Jonas Buta: Sure. My second question is on the railway traction and transformers and the datacenter business that as per your slide sort of seemed to suggest very strong growth prospects. If you can elaborate on where the company stands in terms of market share, what is the current market size, because I assume that these are all volume numbers? If you can just elaborate on your strategy there.

Venu Nuguri: Let me give you on rail. As you know, the electrification of rail is one of the key priorities for the government and they want to do 100% rail electrification. We have a very strong portfolio to leverage the entire supply to enter into that sector, whether it is supplying of the transformer to the locos or trackside transformer or fixed installations or our automation solutions. You see anywhere between Rs. 60,000 crores to Rs. 70,000 crores of investments are coming into this sector. And for our related sector its anywhere between Rs. 5,000 crores to Rs. 6,000 crores of market we are looking at. We have a very dominant position there. And when it comes to datacenters, datacenter market in India is at a very nascent stage, it's just coming in. And we have a complete portfolio, both on the powering side, grid connection side and also the automation side in that setting.

Jonas Buta: Alright. And if I can just squeeze in one more. Sir, the employee cost in this quarter saw a very sharp jump, almost 35% quarter-over-quarter. Should we consider this nearly Rs. 1 billion per quarter kind of the new run rate or there was an anomaly in this where maybe given the calendar year and Q1...

Venu Nuguri: I would let our CFO, Ajay, answer on that question.

Ajay Singh: Good evening. Thank you for that question. So, basically, this is not a run rate that we are going to continue. As you know, this was the 31st of March quarter, we did bonus pay out and we also did the ASR payout. They happened together. The PF interest liability also came. It is all on account of this quarter that personal expenses are looking higher. But overall if you say, just to



give us on the percentage perspective, we will be hovering around let's say, 8% of the personal cost if you take full year number.

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

Renu Baid: Sir, my first questions is to understand a bit more in terms of the impact of COVID. You did mention that we have seen the factories being shut and there were some slippages in revenue as well. So, can you help us quantify the quantum of revenue slippages and the outlook on the order to pipeline for the current year? That's my first question.

Nugari Venu: First of all, as you know as ABB, we normally don't give any forward-looking information, which is Q2. But definitely we would like to tell you about Q1. Our factories, as I told you, started shutting down from 23rd of March in Gujarat and also in Karnataka. From 25th onwards in various sites we operate. They were all shut and we were into full lockdown. Generally we do have quite a big revenue coming in the last week and 10 days as a lot of customers will be coming for a FAT and other things. So, we missed quite a big revenue. To quantify that, we have missed around Rs. 180 crores.

Renu Baid: Sure. And on the order inflow pipeline, what would be the outlook? As in, have we seen customer delay, their project tendering activity as well or orders are still coming through in terms of inquiry levels from clients? So, has there been any material change in the inflow outlook because of the pandemic?

Venu Nuguri: Ours is a late cycle industry. While in lockdown, I must tell you that we have made some offers to customers, we have made some tenders, we participated in the tender, we also concluded the orders. So, at this point in time, when it comes to the pipeline, I have not seen any signs of going down. Of course, some customers are reprioritizing. But other than that, we have not seen this across yet.

Renu Baid: Sure. Sir my second question is, for especially a company on the T&D side, the project portfolio is fairly important. So, what is your strategy to tap project opportunities, given the fact that as an ABB power grid as a portfolio has completely exited projects business, so what is the strategy here to target solutions portfolio through JV with companies, we have global partnership in place. And how does this translate into our go-to-market strategy, especially for the export market?

Venu Nuguri: I think our strategy has been very consistent ever since we talked about our Power Grid technology. We said we engage our customers right from the planning, building and operation to maintenance stage. We also said that with our portfolio we wanted to grow higher than the market. And while growing we want to shift our portfolio. This is extremely important, and this is where we are looking at growth as well as return on investment.



We see a lot of digital portfolios are coming and we are doing several pilots and also seeing our customers slowly changing towards a more digital portfolio. So, we will offer our products, systems, services and software to our customers, whether they are utilities, industries or infrastructures in that.

Saying that we have exited the turnkey is not true. What we are saying is that we created globally a company, which is called the Linxon and our turnkey substation where it involves lots of civil and construction structures. And we will be supplying our power technology products to them. Similarly, we also have a strategy, a multi-channel approach, where we will be providing our technology to various other EPCs. In addition, we will continue to take this substation, either on supplier basis or turnkey basis, to all the industrial and other related customers. So basically, what we are doing with this, we are increasing our channel, so that our hit rate is going to be much bigger.

Renu Baid: And on the exports my questions was, as in, what would be the go-to-market strategy for these markets? As in, broad principles which were during the ABB days in terms of having targeted end market, does that still hold true? And what would be the approach for exports of products as we are targeting new markets? So, are they through EPC contractors, direct-to-market, etc.?

Nugari Venu: A very good question. I think our strategy has been the same, but we have been further reinforced. So, we are looking at India as a base, but we will not only be supplying to India, but to the rest of the world. We have a multi-pronged strategy. One is that in certain segments of our portfolio, we will be directly going to the end customers. In certain segments of the portfolio, we will go either with our partners or our EPCs and so on and so forth. We have a strong organization, in Africa, for example, the Power Grid organization has a very strong sales network. We will leverage that network to bring growth opportunities.

Renu Baid: Thank you. All the best.

Moderator: Next question is from the line of Lavina Quadros from Jefferies. Please go ahead.

Lavina Quadros: Sir, just wanted to understand, independent of demand, as the lockdown is gradually opening, how quickly can you ramp up capacity utilization levels? I understand that depending on payments you will actually go ahead and execute. But let's say on the supply side, on your factory, based on your workforce, what utilization levels could you touch, let's say, over the next three months, six months, nine months, given current constraints?

Venu Nuguri: Yes, I think it's a good question. You rightly highlighted the current constraints. Let me just put those things into perspective. As you have noted, we have a very strong order backlog. So, customers are all behind us for the equipment, services and so on and so forth. If we are not able to operate our factories for, let's say, whatever reason, at 50 percent workforce, we need to reprioritize. So, that is a challenge. But even when we run the factories with 100% workforce, we ensure that we maintain physical distancing and ensure everybody comes with gloves and



masks and the PPEs. So, that is given in our campuses, whether it is our factories or offices. So, to answer your question, I think we have already resumed our factories in Baroda, Halol and Savli, and we are also partly resuming our sites. Because as you know that we are also part of the critical infrastructure supplying to essential companies. Based on that we have received the permission, so we have already restarted.

Lavina Quadros: And sir, within your domestic order book, I might have missed if you mentioned this earlier. How much would be the government orders?

Venu Nuguri: I didn't hear you properly.

Lavina Quadros: Sorry. How much would be your government promotions within your domestic orders as of today?

Venu Nuguri: As you have seen in our presentation, we are talking about over 50% comes from utilities.

Lavina Quadros: **Thank you.**

Moderator: Thank you. We take the next question from the line of Abhishek Puri from Axis Capital. Please go ahead.

Abhishek Puri: Just quickly on the order book breakup, if you can provide us with some of the names of utilities where you have got the orders from and the cycle of delivery that is there for the backlog of Rs. 51 billion that we have.

Venu Nuguri: Abhishek, thank you for the question. As you know, last time also we talked, we normally do not talk about order backlog details. What we can talk about is our quarter one orders. We talked about IOCL, we talked about large export order in Tanzania, we have received an order of Rs. 50 crores from NMDC and these are the only details we can probably share with you.

Abhishek Puri: You said orders are from utilities, so just wanted to understand which utilities are actually providing orders in the T&D segment.

Venu Nuguri: We are serving all the utilities, not only from India, but also for our exports order.

Abhishek Puri: Okay. And in terms of the cycle of delivery, I mean, this Rs. 51 billion, what's the timeline for the order delivery in this? Is it 12 months, 15 months, 18 months?

Venu Nuguri: We will be looking at around 14 -15 months turnaround period.

Abhishek Puri: Okay. My second question is on the advances that we had from ABB India parent company. And has that been returned now? And what is the cash balance currently, given your interest cost is lower from the last quarter?



- Ajay Singh:** We had taken from ABB Rs. 347 crores, and we have returned all from our internal accruals and partly taking support from the bank with a lower interest. As on 31st of March, our loans were only Rs. 50 crores. We have returned all. So, we are now debt-free from that angle. Interest cost if you see in Q4, it is on the higher side because we took the loan from ABB at very high interest rates. And now having paid the loans, our interest cost has gone down in this quarter.
- Abhishek Puri:** Understood. Very helpful. And what's your cash position, if you can just give us? That's my last question.
- Ajay Singh:** Cash position is currently around Rs. 395 crores.
- Moderator:** Thank you. We take the next question from the line of Kiran Naik from Modi Fincap. Please go ahead.
- Kiran Naik:** I missed in the month of April you had one con-call which I missed. I wanted to know what is the total equity capital of the company.
- Poovanna Ammatanda:** The paid up capital is Rs. 8.4 crores.
- Kiran Naik:** And for the year ending March 2019 if you take, what was the EPS?
- Ajay Singh:** So, the earning per share, you were talking about year end March, right?
- Kiran Naik:** Yes.
- Ajay Singh:** It's 6.9.
- Kiran Naik:** 6.9 for year ending 2020 or 2019?
- Ajay Singh:** Because 2019 we were not there, so for year ended March 2020, the earnings per share is 6.9.
- Moderator:** Thank you. We take the next question from the line of Bhavin Vithlani from SBI Mutual Fund. Please go ahead.
- Bhavin Vithlani:** Sir, I have some housekeeping questions. One is the employee cost jumped from Rs. 72.6 crores in December quarter to about Rs. 98 crores. So, we were just trying to understand any one-off in this. And what is the sustainable number?
- Ajay Singh:** So, I had just answered the question. So, this employee cost is a one-off in the sense. And it is mainly because in the month of March, we incurred the ACR cost, that is annual compensation review cost, and the bonus cost. And also, the PF gratuity cost. And on the average basis if you see, our employee cost will be ranging, let's say, around 7.7-8%.



Bhavin Vithlani: Sure, thank you. The second is, in the presentation you have spoken about the grid automation. What is the share of that in the business currently? And how would the grid automation compare with the peers and the opportunity that you currently see?

Venu Nuguri: I think it's a very good question. So normally we do not give the share within the business. So, I am sorry, I would not be in a position to give you percentage. But what I can definitely tell you is that grid automation is one of the key enablers in the power systems of the future or the grid of the future. This is what every customer or every utility is talking about. So, when it comes to how we are different, we have both products, systems, and software as part of grid automation. So, we sell substation automation systems. We sell products like relay, control panel, IEDs and telecom equipment, so on and so forth. But in addition to that, we also sell software solutions like asset management, workforce management and the various grid-edge solutions, the energy storage, which is all part of the grid automation solutions. So that's the clear differentiation when it comes to our competitions in that. So, they don't have the portfolio like we have, right from the product, systems, services and software.

Bhavin Vithlani: I understand. And the last question, you spoke about export as one of the key growth drivers for longer term in your opening remarks. If you can give us what would be the exports currently as a share of the business? And would exports largely be like selling products as part of global feeder factories or is it like going and taking orders directly in Africa? Because a couple of orders you have listed on your presentation are all from Africa.

Venu Nuguri: I think it is again a very interesting topic. So, export is indeed a clear strategy initiative of APPSIL. So, we have two strategies, one is, some of our products do have a global feeder factory, so we will be supplying these things to our own companies around the world. And then we also have another strategy, we go to those particular markets where we are allowed and we are developing those markets on a long-term basis. So, as part of our portfolio, on average we are in the range of 15% to 20%, which comes from exports. So, this quarter is a bit unique, we are in the range of 25%.

Bhavin Vithlani: And in the last year's annual report of ABB, there was a mention that Hitachi could be using its balance sheet, whereby they could be funding to the customers from the Hitachi parent and that could give a philip to the exports. Would that be also part of a longer term strategy once the Hitachi comes in?

Venu Nuguri: That is one of the benefits out of this partnership, coming into effect after June. Hitachi would like to explore the opportunities of customer financing. Right now, that could be also an opportunity. But notwithstanding that, we have a clear strategy to penetrate and drive export growth and leverage the factories not only for India, but also for rest.

Moderator: Thank you. Well, ladies and gentlemen, that was the last question for today. I would now like to hand the conference call back to the management for their closing comments.



*ABB Power Products and Systems India Limited
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Venu Nuguri:

Thank you once again, ladies and gentlemen. Thanks a lot, and thank you for your interest. I know that paucity of time maybe we have disappointed some of you, but our endeavor is to see that we meet you frequently. And we are really hoping that subject to COVID-19 permitting us, we got to meet one day to show you one of our facilities where how this digital transformation is really taking big shapes. So, as we say, seeing is believing, and we are really looking forward to that moment where we will host one of these kind of sessions in our facilities, either in the digital experience center or other things. So, till that, goodbye and good evening. And take care and stay safe and take care of yourself. Thank you.

Moderator:

Thank you. On behalf of ABB Power Products and Systems India Limited, this concludes this conference. Thank you all for joining us. You may now disconnect your line.