

February 26, 2021

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

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

Dear Sirs

**Subject: Outcome of Board meeting as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

In continuation to our letter dated February 16, 2021 intimating about the commencement of Board Meeting on February 25, 2021 and continuation on February 26, 2021, please note the following outcome of the Board meeting held today (February 26, 2021):

- A. Pursuant to Regulation 33 of Listing Regulations, we are sending herewith the Audited Financial Results of the Company for the 4th Quarter and the year ended December 31, 2020 which have been approved and taken on record by the Board of Directors of the Company at its meeting today i.e., February 26, 2021, along with the Auditors Report dated February 26, 2021 thereon issued by M/S S.R. Batliboi & Associates LLP, Statutory Auditors (Auditors Report) and the statement on impact of audit qualification for Auditors Report with modified opinion.

Compliance as required under Regulation 47 of the Listing Regulations will be complied.

- B. We wish to inform you that the following decisions have been taken at the meeting of the Board of Directors of the Company held today (February 26, 2021):

1. The Directors have recommended a dividend of INR 2/- per share (Rupees Two only) on 42,381,675 Equity Shares of face value of Rs.2/- each fully paid up for the year ended December 31, 2020.
2. It has been decided to convene the 2<sup>nd</sup> Annual General Meeting of the Company on Thursday, May 27, 2021 in Bengaluru.
3. The Register of Members and Share Transfer Books of the Company will remain closed from May 21, 2021 to May 27, 2021 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if any, that may be declared at the 2nd Annual General Meeting of the Company.
4. The dividend, if declared at the 2nd Annual General Meeting, will be paid on and from May 31, 2021, to those Members who hold shares in physical form and whose name appears on the Company's Register of Members as holders of Equity Shares on May 20, 2021 and in respect of shares held in electronic form, to the Beneficial Owners of the shares as at the close of business hours on May 20, 2020 as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Ltd.
5. The financial year of the company is changed from existing January-December to April-March. The current financial year is changed from existing January 01, 2021 - December 31, 2021 to January 1, 2021 - March 31, 2022 (15 months) and, thereafter, the financial year of the Company shall be from April 01 to March 31, every year.

Page 1 of 2

ABB Power Products and Systems India Limited  
Registered Office & Corporate Office  
8th Floor, Brigade Opus, 70/401,  
Kodigehalli Main Road, Bengaluru-560 092  
Phone: +91 80 22041800

CIN: L31904KA2019PLC121597  
<https://www.hitachiabb-powergrids.com/>



**HITACHI ABB POWER GRIDS**

You are requested to take the same on record.

Thanking you.

Yours faithfully,  
ABB Power Products and Systems India Limited



Poovanna Ammatanda  
General Counsel and Company Secretary  
Encl:as above





**Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

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

**Report on the audit of the Ind AS Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date financial results of ABB Power Products and Systems India Limited (the "Company") for the quarter ended December 31, 2020 and for the year ended December 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter stated in Basis for Qualified Opinion, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the profit for the year and other comprehensive income and other financial information of the Company for the quarter ended December 31, 2020 and for the year ended December 31, 2020.

**Basis for Qualified Opinion**

We draw attention to Note 4 to the accompanying Ind AS financial results regarding the Scheme of Arrangement ('Scheme') for demerger of the power grid business of ABB India Limited with the Company with an appointed date of April 01, 2019 and approved by the National Company Law Tribunal ('NCLT') vide its order dated November 27, 2019. As per the applicable accounting standard Ind AS 103, since this demerger was a common control business combination, the financial information necessitated 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. Accordingly, the Company was required as per Ind AS 103 to give effect to the business combination from February 19, 2019 (date of its incorporation). However, the Company had recognized the impact of the business combination only from April 01, 2019 (i.e. the appointed date specified in the scheme) and has not restated and disclosed financial results for the period from February 19, 2019 to March 31, 2019, in the comparative period ended December 31, 2019. However, there is no impact of the same on the Company's Ind AS financial results for the year ended December 31, 2020. Our opinion on the current period's statement is qualified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding period's figures.

This matter was also qualified in the earlier periods by the preceding auditor.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under these Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results"





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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

### **Management's Responsibilities for the Financial Results**

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the profit for the year and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 judgments and estimates that are reasonable and prudent; and the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents 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.


## **Other Matter**

The comparative Ind AS financial information of the Company for the corresponding quarter and period ended December 31, 2019, included in this statement, were audited by the predecessor auditor who expressed a modified opinion on those financial information on February 28, 2020.

The Statement includes the results for the quarter ended December 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended December 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

**For S.R. BATLIBOI & ASSOCIATES LLP**

**ICAI Firm Registration Number: 101049W/E300004**

  
per Sandeep Karnani  
Partner

Membership No.: 061207



UDIN: 21061207AAAABI6908

Place: Bengaluru

Date: February 26, 2021



ABB Power Products and Systems India Limited  
CIN: L31904KA2019PLC121597  
Registered Office: 8th Floor, Brigade Opus 70/401, Kodigehalli Main Road Bengaluru 560092  
Phone: +91 (80) 22041800, Website: <https://www.hitachiabb-powergrids.com/in>, Email: [in-investorhelpdesk\\_appsil@hitachi-powergrids.com](mailto:in-investorhelpdesk_appsil@hitachi-powergrids.com)  
Statement of financial result for the quarter and year ended 31/12/2020

Amount in Rs. Crores					
Particulars	3 months ended 31/12/2020	3 months ended 30/09/2020	Preceding 3 months ended 31/12/2019	For the year ended 31/12/2020	For the period from 19/02/2019 to 31/12/2019
	(refer note 12)	Unaudited	(refer note 12)	Audited	Audited (refer note 4)
1 Revenue from operations					
(a) Sales / income from operations	1,025.69	914.94	1,102.06	3,347.74	3,189.82
(b) Other operating revenue	17.92	18.30	18.84	72.70	46.24
<b>Total revenue from operations</b>	<b>1,043.61</b>	<b>933.24</b>	<b>1,120.90</b>	<b>3,420.44</b>	<b>3,236.06</b>
2 Other income	0.11	13.07	8.34	18.50	0.47
<b>3 Total income (1 + 2)</b>	<b>1,043.72</b>	<b>946.31</b>	<b>1,129.24</b>	<b>3,438.94</b>	<b>3,236.53</b>
4 Expenses					
(a) Cost of raw materials and components consumed and project bought outs	505.18	537.89	564.89	1,726.62	1,530.44
(b) Purchase of stock-in-trade	23.69	51.63	39.99	97.69	172.26
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	39.66	(59.39)	41.93	(63.73)	55.55
(d) Subcontracting charges	66.14	55.26	85.99	266.81	269.48
(e) Employee benefits expense	92.21	89.85	78.08	369.41	255.20
(f) Depreciation and amortisation expense	19.96	20.89	16.50	77.17	48.41
(g) Finance costs	5.60	6.60	16.91	20.44	26.38
(h) Other expenses	245.18	174.32	203.92	772.75	617.37
<b>Total expenses</b>	<b>997.62</b>	<b>877.05</b>	<b>1,048.21</b>	<b>3,267.16</b>	<b>2,975.09</b>
<b>5 Profit before exceptional items and tax (3 - 4)</b>	<b>46.10</b>	<b>69.26</b>	<b>81.03</b>	<b>171.78</b>	<b>261.44</b>
6 Exceptional items					
i. Demerger expenses (refer note 4)	2.93	2.05	39.00	7.43	40.79
ii. Provision / (reversal) towards doubtful customer receivables (refer note 8)	(32.41)	60.48	-	28.07	-
<b>7 Profit before tax (5 - 6)</b>	<b>75.58</b>	<b>6.73</b>	<b>42.03</b>	<b>136.28</b>	<b>220.65</b>
8 Tax expenses					
Current tax	25.62	16.76	7.37	60.12	62.20
Deferred tax (credit) / charge	(5.00)	(14.79)	(0.32)	(23.64)	(6.94)
<b>Total tax expenses</b>	<b>20.62</b>	<b>1.97</b>	<b>6.55</b>	<b>36.48</b>	<b>55.26</b>
<b>9 Profit for the period (7-8)</b>	<b>54.96</b>	<b>4.76</b>	<b>35.48</b>	<b>99.80</b>	<b>165.39</b>
10 Other comprehensive income (OCI) (net of tax)					
Other comprehensive income / (expenses) not to be reclassified to profit or loss -					
Remeasurement (losses) / gains on defined benefit plans	(1.46)	0.42	0.23	(8.07)	0.67
Income tax effect	0.37	(0.11)	(0.02)	2.03	(0.17)
<b>Total other comprehensive income (net of tax)</b>	<b>(1.09)</b>	<b>0.31</b>	<b>0.21</b>	<b>(6.04)</b>	<b>0.50</b>
<b>11 Total comprehensive income (9+10)</b>	<b>53.87</b>	<b>5.07</b>	<b>35.69</b>	<b>93.76</b>	<b>165.89</b>
12 Paid-up equity share capital (Face value per share - Rs 2/- each)	8.48	8.48	8.48	8.48	8.48
13 Reserves excluding revaluation reserves as per balance sheet	-	-	-	924.04	831.34
14 Earnings per share ('EPS') (of Rs 2/- each) (not annualised except year end EPS)					
a) Basic (Rs)	12.97	1.12	9.58	23.55	44.69
b) Diluted (Rs)	12.97	1.12	9.58	23.55	44.69
See accompanying notes to the financial results					



*[Handwritten signature]*



## Notes

- The Statement of financial results for the quarter ended December 31, 2020 and year ended from January 1, 2020 to December 31, 2020 of the Company has been reviewed by the Audit Committee and recommended for approval to the Board and the Board approved the same at its meeting held on February 26, 2021.
- The Statement of financial results for the quarter ended December 31, 2020 and year ended from January 1, 2020 to December 31, 2020 of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013 ("The Act") read with the relevant rules thereunder and in terms of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- Effective January 1, 2020, the Company has adopted Ind AS 116, Leases (which replaces the earlier Lease standard) under the modified retrospective approach. There is no material impact on transition to Ind AS 116 on opening retained earnings as on January 1, 2020 and the financial results for the quarter ended December 31, 2020 and year ended from January 1, 2020 to December 31, 2020.
- The Board of directors of ABB India Limited on March 5, 2019 approved the Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme") between ABB India Limited ("Transferor Company"), ABB Power Products and Systems India Limited ("Resulting Company" or "Power Grids in India" or "Company" or "APPSIL") and their respective shareholders and creditors for the demerger of Power Grid business from ABB India Limited into the Company. The appointed date for the Scheme was April 1, 2019. The Scheme was approved by National Company Law Tribunal (NCLT), Bengaluru Bench vide its order dated November 27, 2019 and a certified copy has been filed by the Company with the Registrar of Companies, Bengaluru, on December 1, 2019 ("Effective Date"). The statement of financial results 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 unaudited statement of financial results by transferring the assets and liabilities as identified by the management as pertaining to the Power Grid business of ABB India Limited to APPSIL with effect from the "Appointed Date" at their respective book values.  
  
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 unaudited statement of financial results 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 of arrangement). The Company is of the view 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 financial results does 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 statement of financial results for the quarter ended December 31, 2020 and year ended from January 1, 2020 to December 31, 2020.  
  
Demerger expenses comprising of professional charges and other expenses has been disclosed as an exceptional item in the respective period.
- Consequent to the Scheme becoming effective and in consideration of vesting of the Demerged Undertaking from the Transferor to the Company, the Company has on December 24, 2019 issued and allotted one fully paid Equity Share of Rs. 2 each of the Company for every five fully paid up equity shares of Rs. 2 each held in the Transferor ("Share Entitlement Ratio") to the shareholders of the Transferor, as on December 23, 2019 ("Record Date"). Thus 42,381,675 Equity Shares of Rs 2 each were allotted. The Company has received listing approval from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and 42,381,675 equity shares of the Company have been listed and trading commenced w.e.f. March 30, 2020 on BSE & NSE.
- The operating segment of the Company is identified to be "Power Grids", as the Chief Operating Decision Maker reviews business performance at an overall company level as one segment. Therefore, the disclosure as per Ind AS 108 "Operating segments" and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is not applicable to the Company.
- The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company had shutdown plants and offices following nationwide lockdown which was announced by Government of India in view of COVID-19. From last week of April 2020, operations at plants had commenced in a phased manner considering directives from various government authorities. As a result of lockdown, the volumes for the period have been impacted. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets and has concluded that no material adjustments are required at this stage in the financial results.
- During the current quarter, the Company has realised receivables in respect of certain old, slow moving contracts and accordingly reversed the provision aggregating to Rs 32.41 Crores out of the total provision of Rs 60.48 Crores made in the previous quarter. This has been disclosed as an exceptional item in the financial results for the quarter and year ended December 31, 2020.
- The Board of directors have recommended dividend of Rs. 2 per equity share for the year ended December 31, 2020. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- During the year an open offer for acquisition of upto 10,565,419 fully paid equity shares of face value of INR 2/- each of the Company from Public Shareholders was made by ABB Switzerland Ltd ("Acquirer 1") along with Hitachi, Ltd. ("Acquirer 2"), Hitachi ABB Power Grids AG (previously named ABB Management Holding AG) ("PAC 1") and ABB Ltd ("PAC 2") and (along with PAC 1 the "PACs") acting in their capacity as persons acting in concert with the Acquirers.  
  
As set out in the Letter of Offer dated September 2, 2020, while Hitachi, Ltd. had acquired indirect control over the Company on and from July 1, 2020, the ownership interest of 75% of equity shares of the Company was continued to be held by ABB Asea Brown Boveri Ltd, until the anticipated transfer of such ownership interest to Hitachi ABB Power Grids AG (majority shareholding of which is owned by Hitachi, Ltd.), as part of a delayed closing of the transaction in India. Such delayed closing and transfer of the 75% of equity shares of the Company to Hitachi ABB Power Grids AG took place on February 5, 2021.  
  
Pursuant to the Open Offer concluded on September 30, 2020, 178 equity shares in demat form were acquired by ABB Switzerland Ltd (presently lying in Escrow account and to be subsequently moved to the demat account of ABB Switzerland Ltd). Further, apart from the 178 equity shares acquired in demat form, 1 equity share tendered in the Open Offer in physical form was transferred to ABB Switzerland Ltd during the Q4 2020 (presently held in physical form as on December 31, 2020, is due to be converted into demat form and credited into the demat account of ABB Switzerland Ltd).
- The Company was incorporated on February 19, 2019 and accordingly the previous year results are published from February 19, 2019 to December 31, 2019.
- The figures of last quarter of current and previous years are the balancing figures between the audited figures for the respective full financial year and the published unaudited year to date figures for the nine months ended of the respective financial years.

Place Bengaluru  
Date February 26, 2021



For ABB Power Products and Systems India Limited

*Venu Nuguri*  
Venu Nuguri  
Managing Director  
DIN: 07032076

## Statement of Assets and liabilities

Amount in Rs. crores

Particulars	As at December 31, 2020	As at December 31, 2019
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	574.54	539.71
Right-of-use assets	46.53	-
Capital work-in-progress	32.46	56.64
Goodwill	31.80	31.80
Other intangible assets	2.96	7.94
<b>Financial assets</b>		
Loans	10.29	6.11
Non-current tax assets (net)	3.75	11.53
Deferred tax assets (net)	21.85	-
Other non-current assets	5.08	1.85
	<b>729.16</b>	<b>655.74</b>
<b>Current assets</b>		
Inventories	495.08	493.20
<b>Financial assets</b>		
Trade receivables	1,584.50	1,782.85
Cash and cash equivalents	318.95	188.04
Loans	5.97	6.66
Other financial assets	120.63	125.58
Other current assets	248.83	188.55
	<b>2,773.96</b>	<b>2,784.88</b>
<b>Total Assets</b>	<b>3,503.12</b>	<b>3,440.62</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	8.48	8.48
Other equity	924.04	831.34
	<b>932.52</b>	<b>839.82</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease liabilities	27.20	-
Other financial liabilities	0.87	1.19
Deferred tax liabilities (net)	-	4.16
	<b>28.07</b>	<b>5.35</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	-	347.62
Lease liabilities	11.87	-
Trade payables	-	-
Total outstanding dues of micro enterprises and small enterprises	40.94	24.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,537.04	1,352.41
Other financial liabilities	114.93	133.52
Other current liabilities	649.51	597.87
Provisions	188.24	139.34
	<b>2,542.53</b>	<b>2,595.45</b>
<b>Total equity and liabilities</b>	<b>3,503.12</b>	<b>3,440.62</b>





## Statement of cash flows

Amount in Rs. Crores

Particulars	Year ended December 31, 2020	For the period from February 19, 2019 to December 31, 2019
	Audited	Audited
<b>A. Cash flows from operating activities</b>		
Profit before tax	136.28	220.65
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Depreciation and amortisation expenses	77.17	48.41
Unrealised exchange loss / (gains) (net)	8.69	(0.71)
Mark to market change in forward, commodity contracts and embedded derivative contracts	(10.70)	(20.56)
Loss on sale of property, plant and equipment (net)	0.65	0.34
Provision for doubtful debts and advances / Bad debts / advances written off	45.40	5.21
Interest income	(1.56)	(0.47)
Finance costs	20.44	26.38
<b>Operating profit before working capital changes</b>	<b>276.37</b>	<b>279.25</b>
Movement in working capital		
Increase / (decrease) in trade payables	191.98	294.53
Increase / (decrease) in other financial liabilities	(2.40)	(166.14)
Increase / (decrease) in other liabilities and provisions	71.45	(13.81)
(Increase) / decrease in trade receivables	183.59	(369.01)
(Increase) / decrease in inventories	(1.88)	(23.62)
(Increase) / decrease in other financial assets	14.17	123.82
(Increase) / decrease in loans and other assets	(88.79)	(123.95)
<b>Cash generated from operations</b>	<b>644.49</b>	<b>1.07</b>
Direct taxes paid (net of refunds)	(34.77)	(73.73)
<b>Net cash flow generated from / (used in) operating activities</b>	<b>609.72</b>	<b>(72.66)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(90.69)	(73.04)
Proceeds from sale of property, plant and equipment	0.92	0.08
Purchase of intangible assets	(0.78)	(0.28)
Interest received	1.56	0.47
<b>Net cash flow used in investing activities</b>	<b>(88.99)</b>	<b>(72.77)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from short-term borrowings	1,250.00	347.62
Repayment of short-term borrowings	(1,597.62)	-
Finance cost paid	(30.40)	(14.15)
Payment of principal portion of lease liabilities	(9.53)	-
Payment of interest portion of lease liabilities	(2.27)	-
<b>Net cash flow (used in) / from financing activities</b>	<b>(389.82)</b>	<b>333.47</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>130.91</b>	<b>188.04</b>
<b>Cash and cash equivalents at the beginning of the period (Refer note 4)</b>	<b>188.04</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>318.95</b>	<b>188.04</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances	318.95	188.04

Place Bengaluru  
Date February 26, 2021



For ABB Power Products and Systems India Limited

*Venu Nuguri*  
Venu Nuguri  
Managing Director  
DIN: 07032076

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)**

Statement on Impact of Audit Qualifications for the Financial Year ended December 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures in crores (as reported before adjusting for qualifications)	Adjusted Figures in crores (audited fig- ures after adjusting for qualifications)
	1	Turnover / Total income	3,438.94	3,438.94
	2	Total Expenditure	3,339.14	3,339.14
	3	Net Profit/(Loss)	99.80	99.80
	4	Earnings Per Share	23.55	23.55
	5	Total Assets	3,503.12	3,503.12
	6	Total Liabilities	2,570.60	2,570.60
	7	Net Worth	932.52	932.52
	8	Any other financial item(s) (as felt appropriate by the management)	None	None
II.	<b>Audit Qualification (each audit qualification separately):</b>			
	a. Details of Audit Qualification: We draw attention to Note 38 (a) to the accompanying Ind AS financial statements regarding the Scheme of Arrangement ('Scheme') for demerger of the power grid business of ABB India Limited with the Company with an appointed date of April 01, 2019 and approved by the National Company Law Tribunal ('NCLT') vide its order dated November 27, 2019. As per the applicable accounting standard Ind AS 103, since this demerger was a common control business combination, the financial information necessitated 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. Accordingly, the Company was required as per Ind AS 103 to give effect to the business combination from February 19, 2019 (date of its incorporation). However, the Company had recognized the impact of the business combination only from April 01, 2019 (i.e. the appointed date specified in the scheme) and has not restated and disclosed financial results for the period from February 19, 2019 to March 31, 2019, in the comparative period ended December 31, 2019. However, there is no impact of the same on the Company's Ind AS financial statements of the year ended December 31, 2020. Our opinion on the current year's statement is qualified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.			
	This matter was also qualified in the comparative periods by the preceding auditor.			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification: repetitive and continuing from last year.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor. Management's Views: N.A.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: Yes			
	(i) Management's estimation on the impact of audit qualification: No estimate			



	<p>(ii) If management is unable to estimate the impact, reasons for the same: 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 of arrangement). The Company is of the view 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. Further, in addition to what has been stated in Note 38 (a) to the Ind AS financial 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, 2020 as affirmed by the Auditors. 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.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: We draw attention to Note 38 (a) to the accompanying Ind AS financial statements regarding the Scheme of Arrangement ('Scheme') for demerger of the power grid business of ABB India Limited with the Company with an appointed date of April 01, 2019 and approved by the National Company Law Tribunal ('NCLT') vide its order dated November 27, 2019. As per the applicable accounting standard Ind AS 103, since this demerger was a common control business combination, the financial information necessitated 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. Accordingly, the Company was required as per Ind AS 103 to give effect to the business combination from February 19, 2019 (date of its incorporation). However, the Company had recognized the impact of the business combination only from April 01, 2019 (i.e. the appointed date specified in the scheme) and has not restated and disclosed financial results for the period from February 19, 2019 to March 31, 2019, in the comparative period ended December 31, 2019. However, there is no impact of the same on the Company's Ind AS financial statements of the year ended December 31, 2020. Our opinion on the current year's statement is qualified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.</p> <p>This matter was also qualified in the comparative periods by the preceding auditor.</p>

## Signatories

For ABB Power Products and Systems India Limited

*V. Venuguri*

Venu Nuguri,  
DIN: 02937233

Managing Director

For ABB Power Products and Systems India Limited

*Ajay Singh*

Ajay Singh  
CFO

For ABB Power Products and Systems India Limited



*Mukesh Hari Butani*

Mukesh Hari Butani,  
DIN: 01452839

Chairman, Audit Committee of Directors

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration Number: 101049W/E300004

*Sandeep Karnani*

per Sandeep Karnani  
Partner

Membership No.: 061207



Statutory Auditor

Place:

Bengaluru

Date:

February 26, 2021