

ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

Registered Office: 8th Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru 560092

Corporate Identification Number: U31904KA2019PLC121597 | Telephone: +91 80 2204 1800 | Website: <https://www.hitachiabb-powergrids.com/in/en>

Open offer by ABB Switzerland Ltd ("Acquirer 1") for the acquisition of up to 1,05,95,419 fully paid up equity shares of the face value of INR 2 each, representing 25.00% of the Voting Share Capital of ABB Power Products and Systems India Limited ("Target Company") from all the Public Shareholders of the Target Company ("Open Offer" or "Offer"). The Offer is being made along with Hitachi, Ltd. ("Acquirer 2" and along with Acquirer 1, the "Acquirers"), and 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

"In terms of Regulation 7 of the SEBI (SAST) Regulations, an open offer under Regulations 3 and 4 of the SEBI (SAST) Regulations is required to be for at least 26% of the total share capital of a target company, as of 10th working day from the closure of the tendering period. However, the public shareholding of the Target Company is 25% as on date, and therefore, the Offer Shares represent 25.00% of the Voting Share Capital of the Target Company.

This advertisement is being issued by ICICI Securities Limited, the Manager to the Offer ("Manager"), for and on behalf of the Acquirers and the PACs in respect of the Offer to the Public Shareholders of the Target Company, pursuant to and in accordance with Regulation 18(7) of the SEBI (SAST) Regulations in respect of the Offer ("Pre-Offer Advertisement").

This Pre-Offer Advertisement should be read in continuation of and in conjunction with:

- the public announcement in connection with the Offer, made by the Manager on behalf of the Acquirers and the PACs on March 30, 2020 ("Public Announcement");
- the detailed public statement in connection with the Offer, published on behalf of the Acquirers and the PACs on June 2, 2020 in the following newspapers: Financial Express (English, all editions), Jansatta (Hindi, all editions), Hosa Digantha (Kannada, Bangalore edition) and Navshakti (Marathi, Mumbai edition) ("Detailed Public Statement");
- the corrigendum to the Detailed Public Statement in connection with the Offer, published on behalf of the Acquirers and the PACs on July 3, 2020 in the same newspapers as the Detailed Public Statement ("Corrigendum");
- the second corrigendum to the Detailed Public Statement in connection with the Offer, published on behalf of the Acquirers and the PACs on August 28, 2020 in the same newspapers as the Detailed Public Statement ("Second Corrigendum");
- the letter of offer dated September 02, 2020 in connection with the Offer ("Letter of Offer"); and
- the dispatch advertisement dated September 03, 2020 published in accordance with SEBI circular no. SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 read with SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020 ("Dispatch Advertisement").

Capitalised terms used but not defined in this Pre-Offer Advertisement shall have the meaning assigned to such terms in the Letter of Offer.

- Upward revision in the Offer Price:** The Acquirers and the PACs have decided to revise the Offer Price upwards from INR 865.92 per Offer Share to INR 872.68 per Offer Share, consisting of INR 851 per Offer Share plus interest of INR 21.68 per Offer Share, computed at the rate of 10% per annum, for the period between March 30, 2020 (being the date of making the Public Announcement) and July 1, 2020 (being the date of completion of Closing), payable in cash. The interest component of the Offer Price has been computed inter alia in terms of Regulation 8(12) of the SEBI (SAST) Regulations. For further details relating to the Offer Price, please refer to Paragraph 6.1 (Justification of Offer Price) beginning on Page 61 of the Letter of Offer.
- Recommendations of the committee of independent directors of the Target Company:** The committee of independent directors of the Target Company ("IDC"), published its recommendation on the Offer on September 07, 2020 in the same newspapers where the Detailed Public Statement was published. The relevant extract of the recommendation of the IDC is given below:

Chairperson of the IDC	Mr Mukesh Butani
Members of the IDC	1. Mr Mukesh Butani 2. Ms Akila Krishnakumar 3. Ms. Nishi Vasudeva
Recommendation of the IDC on the Offer, as to whether or not the Offer is fair and reasonable	IDC is of the view that, for shareholders who would like to accept the Offer, the Offer Price of INR 872.68 per share of the Target Company appears to be fair and reasonable.
Summary of reasons for the recommendation of the IDC	The price of the equity shares as mentioned above has been determined by the Acquirers and the PACs together with the Manager to the Offer in accordance with the provisions of Regulation 8(4) of the SEBI (SAST) Regulations (as it cannot be determined in accordance with any of the parameters in Regulation 8(3) of the SEBI (SAST) Regulations). The Offer Price has been determined taking the assistance of two independent expert valuers viz. Bansi S. Mehta & Co., Chartered Accountants, (Firm Registration Number: 100991W) and Ernst & Young Merchant Banking Services LLP, Category I Merchant Banker, (Registration Number: INM00010700), who have factored in the relevant parameters and provided appropriate justification for their assessments. The Offer Price takes into account, the higher of the price per equity share determined in accordance with these valuation reports. Inter alia in terms of Regulation 8(12) of the SEBI (SAST) Regulations, the offer price as per valuation report above of INR 851 per offer share, calculated in accordance with Regulation 8(4) of the SEBI (SAST) Regulations, has been enhanced at a rate of 10% per annum calculated for the period from March 30, 2020 (the first date of listing of the Target Company's shares, and thereby the date of making the Public Announcement) until July 01, 2020 (being the date of completion of closing) which works out to INR 21.68 per offer share. The offer price therefore aggregates to INR 872.68 after considering the offer price as per valuation report above of INR 851, plus the aforesaid interest component of INR 21.68, per offer share. The public shareholders of the Target Company are advised to independently evaluate the Open Offer and take an informed decision about tendering the equity shares held by them in the Open Offer.
Details of independent advisors, if any, of the IDC	Transaction Square LLP has reviewed the valuation reports of the two expert valuers (as mentioned above) in issuing the fairness opinion to the IDC.

3. Other details of the Offer:

- The Offer is being made under Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations to the Public Shareholders of the Target Company.
- This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There was no competing offer to the Offer and the last date for making such competing offer has expired. The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- The dispatch of the Letter of Offer to all Public Shareholders whose names appeared on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appeared in the beneficial records of the respective Depositories, as of the Identified Date and in each case, who had registered their email ids with the Depositories and/or the Target Company, has been completed vide electronic mode by September 02, 2020, in light of the relaxations granted by SEBI vide its circular no. SEBI/CIR/CFD/DCR1/CIR/P/2020/83, dated May 14, 2020 read with SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020. Further, the Dispatch Advertisement for awareness was published on September 03, 2020 in the same newspapers in which the Detailed Public Statement was published.
- Public Shareholders eligible to participate in the Offer are required to refer to Part 8 (*Procedure for Acceptance and Settlement of this Offer*) on page 69 of the Letter of Offer in relation to inter alia the procedure for tendering their Equity Shares in the Offer and are required to adhere to and follow the procedure outlined therein. Please note that a copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment) is also available on the respective websites of SEBI (www.sebi.gov.in), the Target Company (<https://www.hitachiabb-powergrids.com/in/en>), the Registrar to the Offer (www.linkintime.co.in), the Manager (www.icicisecurities.com), BSE (www.bseindia.com) and NSE (www.nseindia.com) during the period the Offer is open and Public Shareholders may also apply by downloading it from any of the aforesaid websites.
- Public Shareholders who have acquired the Equity Shares but whose names do not appear in the records of the Depositories on the Identified Date or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details set out in the Letter of Offer.
- Instructions to the Shareholders:**
 - In case the Equity Shares are held in physical form:** As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release bearing no. 51/2018 dated December 3, 2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository w.e.f. April 01, 2019. However, in accordance with the Frequently Asked Questions issued by SEBI, "FAQs - Tendering of physical shares in buyback offer/open offer/exit offer/delisting" dated February 20, 2020 and the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Documents to be delivered by all Public Shareholders holding Equity Shares in the physical form:
 - Form of Acceptance-cum-Acknowledgment duly completed and signed in accordance with the instructions contained therein along with the complete set of documents for verification procedures to be carried out including: (a) original share certificate(s), (b) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company, (c) self-attested copy of the shareholder's PAN Card, and (d) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable.
 - In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (a) valid Aadhar Card; (b) Voter Identity Card; or (c) Passport.
 - Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Open Offer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard.
 - Applicants who cannot hand deliver their documents at the collection centers referred to as above, may send the same by registered post with due acknowledgement or by courier only, at their own risk and cost, to the Registrar to the Offer to the addresses specified in paragraph 8.8 of Part 8 (*Procedure for Acceptance and Settlement of the Offer*) on page 71 of the Letter of Offer, on or before the last date of the Tendering Period.
 - Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.
- In case the Equity Shares are held in dematerialised form:** Documents to be delivered by all Public Shareholders holding Equity Shares in the dematerialised form:
 - Form of Acceptance-cum-Acknowledgment duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the DP.
 - Photocopy of the delivery instruction in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP.
 - Please note the following:
 - For each delivery instruction, the Beneficial Owner should submit a separate Form of Acceptance-cum-Acknowledgment.
 - The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Equity Shares have not been credited to the Escrow Demat Account or for Equity Shares that are credited in the Escrow Demat Account but the corresponding Form of Acceptance-cum-Acknowledgment has not been received as on the date of closure of the Offer. However, if the Equity Shares are credited in the Escrow Demat Account but the Form of Acceptance-cum-Acknowledgment is not received by the Registrar to the Offer, the applicant will not be rejected for non- receipt of the Form of Acceptance-cum-Acknowledgment by the Registrar to the Offer.
- For the shareholders holding shares in dematerialized form, the Registrar to the Offer has opened the Open Offer Escrow Demat Account with Ventura Securities Limited as the depository participant in NSDL called, "LIPL APPSIL OPEN OFFER ESCROW DEMAT ACCOUNT". Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Open Offer Escrow Demat Account:

Name of the DP	Ventura Securities Limited
DP ID	IN303116
Client ID	13089565
Account Name	LIPL APPSIL OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	NSDL
Mode of Instruction	Off-market
ISIN	INE07Y701011

Public Shareholders having their beneficiary account with CDSL must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account.

- In terms of Regulation 16(1) of the SEBI SAST Regulations, the draft letter of offer was submitted to SEBI on June 09, 2020 ("Draft Letter of Offer"). SEBI, vide its letter dated August 24, 2020 ("Observation Letter"), issued its comments on the Draft Letter of Offer, which have been incorporated in the Letter of Offer.
- Material Updates:**
 - There have been no material changes in relation to the Offer since the date of the Public Announcement, save as otherwise disclosed in this Pre-Offer Advertisement (in Paragraphs 1, 6.2, 6.3, 6.4, 6.5 and 7.1), in the Detailed Public Statement, the Draft Letter of Offer, the Corrigendum, the Second Corrigendum and/or the Letter of Offer.
 - Update in relation to the Financial Arrangements:**
 - Acquirer 1 has on June 29, 2020 deposited an additional sum of INR 7,50,73,05,000 in the Escrow Account - Cash.
 - Subsequent thereto, as a consequence of the upward revision of the Offer Price as set out in paragraph 1 above, the maximum consideration payable under the Offer (assuming full acceptance) at the Offer Price of INR 872.68 per Offer Share will be INR 9,24,64,42,184.32 ("Maximum Open Offer Consideration").
 - In terms of Regulation 17(2) of the SEBI (SAST) Regulations, in case of upward revision of the offer price, the value of the escrow amount is required to be computed on the revised consideration calculated at such revised offer price, and the additional amount is required to be brought into the escrow account prior to effecting such revision. Accordingly, in light of the upward revision of the Offer Price as described in paragraph 1 above, Acquirer 1 has deposited additional amount in the Escrow Account - Cash, such that the total amount available in the said Escrow Account - Cash is more than the Maximum Open Offer Consideration.
 - Update in relation to the completion of Closing:**
 - The Closing Conditions as specified under the SPA have been completed and PAC 2 has transferred 80.1% of the equity share capital of PAC 1 to Acquirer 2 on July 01, 2020 ("Closing"). On and from Closing, Acquirer 2 has acquired indirect control over the power grids business of PAC 2. While currently ABB Asea Brown Boveri Ltd directly holds ~75% of the equity share capital in the Target Company, the Target Company is a part of delayed closing. The said equity share capital in the Target Company is anticipated to be transferred to PAC 1 as part of a delayed closing. From Closing, however, Acquirer 2 has acquired indirect control of the Target Company.
 - The acquisition of indirect control over the Target Company by Acquirer 2 is in compliance with Regulation 22(2) of the SEBI (SAST) Regulations. As required under Regulation 22(2) of the SEBI (SAST) Regulations, (i) Acquirer 1 deposited an additional sum of INR 7,50,73,05,000 in the Escrow Account - Cash, such that the total amount available in the said Escrow Account - Cash at the time of acquisition of indirect control was more than INR 9,17,47,85,220.48 which was the maximum open offer consideration; and (ii) 21 Working Days had passed from the date of the Detailed Public Statement (the Detailed Public Statement was published on June 02, 2020).
 - Update in relation to PAC 1:**
 - PAC 1 was originally incorporated as ABB Management Holding AG and its name was changed from July 9, 2020 to its present name, Hitachi ABB Power Grids AG, pursuant to the Closing.
 - The registered office of PAC 1 has changed from Affolternstrasse 44, 8050 Zurich Switzerland to Brown Boveri Strasse 5, 8050 Zurich Switzerland.
 - PAC 1 is engaged in the business of acquiring, holding, managing, exploiting and selling interests in participations in Switzerland and abroad, particularly in the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of power grid automation, power grid integration, high voltage products and transformers and related areas.
 - The board of directors of PAC 1 was reconstituted on July 01, 2020. The details of the directors on the board of directors of PAC 1 as of the date of the Letter of Offer is set out at Paragraph 4.3.7 of Part 4 (*Background of the Acquirers and the PACs*) beginning on Page 40 of the Letter of Offer. Accordingly, Mr. Frank Duggan, who has been appointed as a director on the board of directors of PAC 1 at Closing, is also a director on the board of directors of the Target Company.
 - The authorised share capital of PAC 1 has been revised and as of the date of the Letter of Offer comprises 12,50,000 shares of face value 1 CHF per share. The total number of issued and paid up share capital of PAC 1 comprises 11,71,000 shares.
 - Update in relation to the directors on the board of Acquirer 2:**
 - The board of directors of Acquirer 2 was reconstituted at the annual general meeting of Acquirer 2 held on July 30, 2020. The details of the directors on the board of directors of Acquirer 2 as of the date of the Letter of Offer is set out at Paragraph 4.2.8 of Part 4 (*Background of the Acquirers and the PACs*) beginning on Page 27 of the Letter of Offer.
- Status of Statutory and Other Approvals:**
 - To the best of the knowledge of the Acquirers and the PACs, there are no statutory or other approvals required to complete the acquisition of the Offer Shares pursuant to the Offer, as on the date of the Letter of Offer. If, however, any statutory or other approval becomes applicable prior to completion of such acquisition, the Offer would also be subject to such other statutory or other approval(s) being obtained.
 - NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required to tender the Equity Shares held by them, in this Offer, and submit such approvals/exemptions along with the documents required to accept this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals/exemptions (including from the RBI or any other regulatory body, if applicable) in respect of the Equity Shares held by them, they will be required to submit such previous approvals/exemptions that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event, such approvals/exemptions are not submitted, the Acquirers and/or the PACs reserve the right to reject such Equity Shares tendered in this Offer.
- Revised Schedule of Activities:** On behalf of the Acquirers and the PACs, the Manager has received SEBI's observations on the Draft Letter of Offer vide the Observation Letter. Accordingly, the schedule of major activities under the Offer is set out below:

No.	Activity	Original schedule of activities (Day & Date)	Revised schedule of activities (Day & Date)
1.	Date of making the Public Announcement	Monday, March 30, 2020	Monday, March 30, 2020
2.	Date of publication of the Detailed Public Statement	Tuesday, June 02, 2020	Tuesday, June 02, 2020
3.	Last date of filing of Draft Letter of Offer with SEBI	Tuesday, June 09, 2020	Tuesday, June 09, 2020
4.	Last date for public announcement for a competing offer(s)	Tuesday, June 23, 2020	Tuesday, June 23, 2020*
5.	Last date for receipt of SEBI observations on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager)	Tuesday, June 30, 2020	Monday, August 24, 2020
6.	Identified Date#	Thursday, July 2, 2020	Wednesday, August 26, 2020
7.	Last date by which the Letter of Offer is to be dispatched to the Public Shareholders whose names appear on the register of members on the Identified Date and who have registered their email ids with the Depositories (<i>as defined below</i>) and/or the Target Company	Thursday, July 9, 2020	Wednesday, September 02, 2020
9.	Date of publication of the dispatch advertisement in accordance with the SEBI circular no. SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 read with SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020	-	Thursday, September 03, 2020
10.	Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	Monday, July 13, 2020	Monday, September 07, 2020
11.	Last date for upward revision of the Offer Price/Offer Size	Tuesday, July 14, 2020	Monday, September 07, 2020
12.	Date of publication of Offer Opening Public Announcement in the newspapers in which the Detailed Public Statement has been published	Wednesday, July 15, 2020	Tuesday, September 08, 2020
13.	Date of commencement of the Tendering Period	Thursday, July 16, 2020	Wednesday, September 09, 2020
14.	Date of closure of the Tendering Period (the "Offer Closing Date")	Wednesday, July 29, 2020	Tuesday, September 22, 2020
15.	Last date of communicating the rejection/acceptance and completion of payment of consideration or refund of Offer Shares to the shareholders of the Target Company	Wednesday, August 12, 2020	Wednesday, October 07, 2020
16.	Last date for filing the post-Offer report with SEBI	Wednesday, August 19, 2020	Wednesday, October 14, 2020
17.	Last date for publication of post-Offer public announcement in the newspapers in which the Detailed Public Statement has been published	Wednesday, August 19, 2020	Wednesday, October 14, 2020

* There has been no competing offer as of the date of the Letter of Offer.

Actual date of receipt of SEBI's observations in relation to the Draft Letter of Offer.

The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be posted. It is clarified that subject to paragraph 3.2.14 of Part 3.2 (Details of the Proposed Offer) and Part 7 (Terms and Conditions of the Offer) of the Letter of Offer, all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time on or prior to the Offer Closing Date.

9. Other Information:

- The Acquirers and the PACs and their respective directors accept responsibility for the information contained in this Pre-Offer Advertisement (except for the information with respect to the Target Company which has been compiled from information published or provided by the Target Company as the case may be, or publicly available sources and which information has not been independently verified by the Acquirers, the PACs or the Manager).
- The Acquirers and the PACs shall be jointly and severally responsible for the fulfilment of obligations under the SEBI (SAST) Regulations in respect of this Offer.
- This Pre-Offer Advertisement would also be available on the respective websites of SEBI (www.sebi.gov.in), the Target Company (<https://www.hitachiabb-powergrids.com/in/en>), the Registrar to the Offer (www.linkintime.co.in), the Manager (www.icicisecurities.com), BSE (www.bseindia.com) and NSE (www.nseindia.com).

Issued on behalf of the Acquirers and the PACs

Manager to the Offer:		Registrar to the Offer:	
 ICICI SECURITIES LIMITED ICICI Centre, H.T. Parekh Marg, Churchgate Mumbai - 400 020, Maharashtra Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 Email ID: appsil.openoffer@icicisecurities.com Contact Person: Sameer Purohit / Anurag Byas SEBI Registration No.: INM000011179		 LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083 Tel: +91 22 49186200 Fax: +91 22 49186195 Website: www.linkintime.co.in Email: appsil.off@linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration Number: INR000004058	
ABB Switzerland Ltd	Hitachi, Ltd.	Hitachi ABB Power Grids AG	ABB Ltd
Place: Switzerland	Place: Japan	Place: Switzerland	Place: Switzerland
Date : September 07, 2020	Date : September 07, 2020	Date : September 07, 2020	Date : September 07, 2020