DRAFT LETTER OF OFFER

"THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION"

The Draft Letter of Offer is being sent to you as a Public Shareholder (*as defined below*) of **ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED** ("**Target Company**"). If you require any clarifications regarding the actions that are required to be taken, you may consult your stock broker, investment consultant, the Manager *(as defined below)* or the Registrar to the Offer (*as defined below*). In case you have recently sold your shares in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement *(as defined below)* and transfer deed to the member of Stock Exchange through whom the said sale was affected.

OPEN OFFER BY

ABB Switzerland Ltd ("ACQUIRER 1")
Registered Office: Bruggerstrasse 66, 5400 Baden Switzerland
Tel: + 41 (0) 844 845 845
AND

Hitachi, Ltd. ("ACQUIRER 2")
Registered Office: 6-6, Marunouchi 1- chome, Chiyoda-ku, Tokyo, 100-8280, Japan
Tel: + 81-3-3258-1111

(collectively referred to as the "**Acquirers**")

ALONG WITH

ABB Management Holding AG ("PAC 1")
Registered Office: Affolternstrasse 44, 8050 Zurich, Switzerland
Tel: +41 43 317 44 03 and Fax: + 41 43 317 79 92

AND

ABB Ltd ("PAC 2")
Registered Office: Affolternstrasse 44, 8050 Zurich, Switzerland
Tel: + 41 43 317 44 03 and Fax: +41 43 317 79 92

(collectively referred to as the "**PACs**")

at a price of INR. 865.92 per equity share, payable in cash, to acquire up to 1,05,95,419 fully paid up equity shares of face value of INR 2 each ("**Offer Shares**"), representing 25%* of the Voting Share Capital (*as defined below*) in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") from the Public Shareholders (*as defined below*).

OF

ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED,
Registered office: 8th Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru 560092
Tel: +91 80 2204 1800

** 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.*

NOTE:

1. This Offer (*as defined below*) is being made by the Acquirers and the PACs pursuant to Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. Other than as specified in paragraph 3.2.12 of Part 3.2 (*Details of the Proposed Offer*) of this Draft Letter of Offer (*as defined below*) and Part 7.3 (*Statutory and Other Approvals*) of this Draft Letter of Offer, to the best of the knowledge of the Acquirers and the PACs, all the statutory approvals required by the Acquirers and/ or the PACs to complete this Offer have been obtained. However, in case of any additional statutory approvals being required by the Acquirers and/ or the PACs at any later date, this Offer will be subject to such approvals. In the event that any Closing Condition (*as defined hereinafter*) is not satisfied for reasons outside the reasonable control of the Acquirers and/ or the PACs, the Acquirers and/ or PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.
5. Under Regulation 18(4) of the SEBI (SAST) Regulations, Acquirer 1 is permitted to revise the Offer Price *(as defined below)* at any time up to 1 Working Day *(as defined below)* before the commencement of the Tendering Period *(as defined below)*, i.e. up to July 14, 2020. In the event of any revision to the Offer Price *(as defined below)*: (a) Acquirer 1 shall make corresponding increases to the escrow amounts, as more particularly set out in Part 6 (*Offer Price and Financial Arrangements*), (b) Acquirers and PACs shall make a public announcement in the newspapers in which the Detailed Public Statement (*as defined below*) was published, and (c) simultaneously with the making of such announcement, Acquirers and the PACs shall inform SEBI (*as defined below*), the Stock Exchanges *(as defined below)* and the Target Company at its registered office of such revision. Acquirer 1 would pay such revised price for all the Equity Shares (*as defined below*) validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
6. **There has been no competing offer as of the date of this Draft Letter of Offer.**
7. **If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**
8. Unless otherwise stated, the information set out in this Draft Letter of Offer reflects the position as of the date hereof.
9. A copy of the Public Announcement (*as defined below*), Detailed Public Statement and this Draft Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) is also available on the website of SEBI, at www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ICICI Securities	LINK Intime
ICICI SECURITIES LIMITED	**LINK INTIME INDIA PRIVATE 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	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.offer@linkintime.co.in **Contact Person:** Mr. Sumeet Deshpande **SEBI Registration Number:** INR000004058

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES UNDER THE OFFER IS AS FOLLOWS:

No.	Activity	Schedule of activities (Day & Date)
1.	Date of making the Public Announcement	Monday, March 30, 2020
2.	Date of publication of the Detailed Public Statement	Tuesday, June 02, 2020
3.	Last date of filing of Draft Letter of Offer with SEBI	Tuesday, June 09, 2020
4.	Last date for public announcement for a competing offer(s)	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
6.	Identified Date[#]	Thursday, July 2, 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	Thursday, July 9, 2020
8.	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
9.	Last date for upward revision of the Offer Price/Offer Size	Tuesday, July 14, 2020
10.	Date of publication of Offer Opening Public Announcement in the newspapers in which the Detailed Public Statement has been published	Wednesday, July 15, 2020
11.	Date of commencement of the Tendering Period	Thursday, July 16, 2020
12.	Date of closure of the Tendering Period (the "**Offer Closing Date**")	Wednesday, July 29, 2020
13.	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
14.	Last date for filing the post-Offer report with SEBI	Wednesday, August 19, 2020
15.	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

Note: *The schedule of activities mentioned above is tentative and based on the assumption that SEBI's comments to the Draft Letter of Offer will be received on June 30, 2020. Accordingly, the* *dates for the above mentioned activities, wherever mentioned in this Draft Letter of Offer are subject to change.*

#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 3.2.15 of Part 3.2 (Details of the Proposed Offer) and Part 7 (Terms and Conditions of the Offer) below, 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.

RISK FACTORS

The risk factors set forth below are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirers and the PACs. The risk factors set forth below do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by a Public Shareholder in this Offer, but are merely indicative. The Public Shareholders are advised to consult their respective stockbrokers, investment consultants, and legal, tax or other advisors of their choosing, in order to analyse and understand all the risks with respect to their participation in this Offer.

A. RISKS RELATING TO THE UNDERLYING TRANSACTION

As on the date of this Draft Letter of Offer, Closing (*as defined below*) of the Underlying Transaction (*as defined below*) under the SPA (*as defined below*) is subject to satisfaction of the Closing Conditions (*as defined below*). If the Closing Conditions specified in the SPA are not met, for reasons outside the reasonable control of the Acquirers and/or the PACs, and the SPA is rescinded, the Acquirers and the PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.

B. RISKS RELATING TO THE OFFER

1. Other than as specified in paragraph 3.2.12 of Part 3.2 (*Details of the Proposed Offer*) of this Draft Letter of Offer and Part 7.3 (*Statutory and Other Approvals*) of this Draft Letter of Offer, to the best of the knowledge of the Acquirers and the PACs, as on the date of this Draft Letter of Offer, there are no statutory approvals required by the Acquirers and the PACs to complete the acquisition of the Offer Shares under this Offer. However, in case any statutory approvals are required by the Acquirers and/or the PACs prior to completion of the Offer, this Offer shall be subject to such approvals being obtained. In the event that any Closing Condition is not satisfied for reasons outside the reasonable control of the Acquirers and/or the PACs, the Acquirers and the PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.

2. In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirers or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirers and the PACs agreeing to pay interest to the Public Shareholders for delay, at such rate as may be specified by SEBI. Where the statutory approvals extend to some but not all the Public Shareholders, the Acquirers and the PACs will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

3. NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI, if applicable) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirers and/or the PACs shall reject such Equity Shares tendered in 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 (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 that they would have obtained for holding the Equity Shares, along with the other

documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirers and/or the PACs shall reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that such Equity Shares are held under general permission, furnish a copy of the relevant notification / circular pursuant to which the Equity Shares are held and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis.

4. In the event that: (a) regulatory or statutory approvals required, if any, are not received in time, or (b) there is any litigation leading to a stay/ injunction on the Offer or that restricts/ restrains the Acquirers/ PACs from performing their obligations hereunder, or (c) SEBI instructing the Acquirers/ PACs not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares that have not been accepted under the Offer by the Acquirers/ PACs may be delayed.

5. Public Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of their Equity Shares in this Offer and/or payment of consideration is delayed.

6. The tendered Equity Shares and documents will be held by the Registrar to the Offer in trust for the Acquirers/ PACs, till the process of acceptance of tenders and the payment of consideration is completed. The Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Equity Shares.

7. The Acquirers/ PACs make no assurance with respect to the market price of the Equity Shares, both during the period that the Offer is open and upon completion of the Offer, and disclaim any responsibility with respect to any decision taken by the Public Shareholders with respect to whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

8. The Public Shareholders are advised to consult the stockbroker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirers. The Acquirers and the PACs do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer, and all shareholders should independently consult their respective tax advisors.

9. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirers, the PACs or the Manager to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in any jurisdiction outside India and cannot be accepted by any means or instrumentality from within such jurisdictions.

10. The Acquirers, the PACs and the Manager do not accept responsibility for the statements made with respect to the Target Company (pertaining to the information which has been compiled from information published or provided by the Target Company, or publicly available sources, and which information has not been independently verified by the

Acquirers, the PACs or the Manager) in connection with this Offer as set out in this Draft Letter of Offer, the Detailed Public Statement, the Public Announcement and the Letter of Offer or any corrigendum or any material issued by or at the instance of the Acquirers, the PACs or the Manager. Further, the Acquirers, the PACs and the Manager accept no responsibility made otherwise than in this Draft Letter of Offer, the Detailed Public Statement the Public Announcement, the Letter of Offer or in the advertisements or any materials issued by or at the instance of the Acquirers or the PACs in relation to the Offer; any person placing reliance on any other source of information (not released by the Acquirers, the PACs, or the Manager) would be doing so at its/ his/ her own risk.

C. Risks relating to the Acquirers and the PACs:

1. The Acquirers and the PACs make no assurance with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

2. The Acquirers and the PACs make no assurance with respect to its investment/ divestment decisions relating to its proposed shareholding in the Target Company.

3. The Acquirers and the PACs cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer, and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision taken by any Public Shareholder with respect to participation in the Offer.

4. As a result of the Equity Shares accepted in the Offer, the non-public shareholding in the Target Company may exceed the maximum permissible non-public shareholding, as required to be maintained as per the SEBI (SAST) Regulations and the SEBI (LODR) Regulations, read with the SCRR. While the Acquirers and the PACs are required to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and the SEBI (LODR) Regulations, within the time period stated therein, through permitted routes and any other such routes as may be approved by SEBI from time to time, any failure to comply with the conditions of aforesaid regulations could have an adverse effect on the price and tradability of the Equity Shares of the Target Company. Further, in accordance with Regulation 7(5) of the SEBI (SAST) Regulations, if, as a result of the Equity Shares accepted in the Offer, the shareholding of the Acquirers and the PACs in the Target Company exceeds the maximum permissible non-public shareholding, then neither the Acquirers nor the PACs shall be eligible to make a voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended, unless a period of 12 months has elapsed from the date of the completion of the Offer Period (as *defined below*).

5. None of the Acquirers, the PACs or the Manager will be responsible in any manner for any loss of Equity Share certificate(s) and Offer acceptance documents during transit.

6. Persons in possession of this Draft Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Public Shareholder who tenders his, her, or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she, or it is authorised under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

DISCLAIMER FOR U.S. PERSONS:

The information contained in this Draft Letter of Offer is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S under the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America if such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES:

This Draft Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

CURRENCY OF PRESENTATION

1. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/ or regrouping.

2. In this Draft Letter of Offer, all references to "Rupees" and "INR" are references to Indian Rupees, the lawful currency of India, references to "CHF" is to the Swiss Franc, the lawful currency of Switzerland, references to "JPY" is to the Japanese Yen, the lawful currency of Japan, references to "ZAR" is to the South African Rand, the lawful currency of South Africa, references to "SEK" is to the Swedish Krona and references to "EUR" is to the Euro, the lawful currency of the member of the European Union.

3. The exchange rates taken for conversion of the financials of the Acquirers and the PACs presented in USD, CHF or JPY in this Draft Letter of Offer to INR are from www.oanda.com, which have been converted into INR for convenience purposes only.

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1. DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Acquirer 1	ABB Switzerland Ltd
Acquirer 2	Hitachi, Ltd.
Acquirers	Acquirer 1 and Acquirer 2, collectively
Beneficial Owner	Beneficial owners of the Equity Shares, whose names appeared as beneficiaries on the records of their respective DP at the close of business hours on the Identified Date or at any time before the closure of the Tendering Period.
Board/ Board of Directors	Board of directors of the Target Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
D.I.N.	Director identification number
Depositories	CDSL and NSDL
Detailed Public Statement/ DPS	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)
DoJ	Department of Justice (United States of America)
DP	Depository participant
Draft Letter of Offer/ DLoF	This Draft Letter of Offer, dated June 9, 2020, filed with the SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
Equity Share(s)	Fully paid up equity shares of the Target Company having a face value of INR 2 each, carrying voting rights, and including any security which entitles the holder thereof to exercise voting rights vis-à-vis the Target Company
Escrow Account – Cash	The escrow account with account number 0134908000 and account name "Escrow Account ‑ ABB Switzerland Ltd ‑ Open Offer" opened by Acquirer 1 with the Escrow Bank, in accordance with the SEBI (SAST) Regulations
Escrow Bank	Deutsche Bank AG

Particulars	Details / Definition
Form of Acceptance-cum-Acknowledgement	The form of acceptance-cum-acknowledgement, which will be part of the Letter of Offer
FPIs	Foreign portfolio investor(s), as defined under Regulation 2(h) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
Gross Consideration	(No of Equity Shares held by each Public Shareholder * Offer Price) = gross consideration. The gross consideration shall also include the interest component
Identified Date	The date falling on the 10th Working Day prior to the commencement of the Tendering Period
IT Act	Income-tax Act, 1961
Letter of Offer	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer, and including the Form of Acceptance-cum-Acknowledgement
Manager/ Manager to the Offer	ICICI Securities Limited
Maximum Open Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance of this Offer, being of INR 9,17,47,85,220.48
NRIs	Non-resident Indians
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCBs	Overseas corporate bodies
Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period to be made on behalf of the Acquirers and the PACs in accordance with Regulation 18(7) of the SEBI (SAST) Regulations
Offer Period	The period from the date of the Public Announcement (i.e. March 30, 2020) to the date on which payment of consideration to the Public Shareholders whose Equity Shares are accepted in this Offer is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	INR 865.92 per Offer Share, consisting of INR 851 per Offer Share plus interest of INR 14.92 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 June 2, 2020 (being the date of publication of the Detailed Public

Particulars	Details / Definition
	Statement), in terms of Regulation 8(12) of the SEBI (SAST) Regulations
Offer Shares	1,05,95,419 fully paid up Equity Shares of the Target Company, representing 25% of the Voting Share Capital
Offer Size	1,05,95,419 fully paid up Equity Shares of the Target Company, representing 25% of the Voting Share Capital, aggregating to a total consideration of INR 9,17,47,85,220.48
Offer/ Open Offer	This open offer by Acquirer 1 (together with Acquirer 2 and the PACs) for the acquisition of up to 1,05,95,419 fully paid up Equity Shares, representing 25.00% of the Voting Share Capital of the Target Company from all the Public Shareholders of the Target Company
Open Offer Escrow Agreement	The escrow agreement dated May 26, 2020, entered into amongst the Escrow Bank, Acquirer 1 and the Manager
Open Offer Escrow Amount	The amount aggregating to INR 1,66,74,80,264 maintained by Acquirer 1 with the Escrow Bank in accordance with the Open Offer Escrow Agreement
PAC 1	ABB Management Holding AG
PAC 2	ABB Ltd
PACs/ Persons Acting in Concert	PAC 1 and PAC 2, collectively
PAN	Permanent account number
Public Announcement/ PA	The public announcement made on March 30, 2020 in connection with the Offer by the Manager
Public Shareholder(s)	All equity shareholders of the Target Company excluding the promoters, members of the promoter group of the Target Company, parties to the SPA, the Acquirers, the PACs and persons deemed to be acting in concert with such parties
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India
SEBI (LODR) Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Particulars	Details / Definition
SEBI (SAST) Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEC	Securities & Exchange Commission (United States of America)
SFO	Serious Fraud Office (United Kingdom)
SPA	The share purchase agreement dated December 17, 2018 between Acquirer 2 and PAC 2
Stock Exchanges	BSE and NSE
Target/ Target Company	ABB Power Products and Systems India Limited
Tendering Period	Period commencing from July 16, 2020 and closing on July 29, 2020 (both days inclusive)
Underlying Transaction	As defined in paragraph 3.1.4 of Part 3.1 (*Background to the Offer*)
Voting Share Capital	The total voting equity share capital of the Target Company, on a fully diluted basis, as of the 10th Working Day from the closure of the Tendering Period for the Offer
Working Day(s)	A working day of SEBI

Note: All capitalized terms used in this Draft Letter of Offer, but not specifically defined herein, shall have the meanings ascribed to them under the SEBI (SAST) Regulations.

2. DISCLAIMERS

2.1 SEBI DISCLAIMER

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS, THE PACS OR THE TARGET COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS AND THE PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS AND THE PACS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, ICICI SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 09, 2020, TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS AND THE PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2.2 GENERAL DISCLAIMER

This Draft Letter of Offer, together with the Detailed Public Statement and the Public Announcement in connection with the Offer, has been prepared for the purposes of compliance with the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, the Letter of Offer and/or any other advertisement/publications made or delivered in connection with the Offer under any circumstances, do not create any implication that there has been a change in the affairs of the Target Company, the Acquirers, the PACs and any persons deemed to be acting in concert with the Acquirers, since the date hereof or that the information contained therein is correct as at any time subsequent to the date thereof. Further, it is not to be implied that the Acquirers, the PACs, or any other persons deemed to act in concert with the Acquirers, are under any obligation to update the information contained therein at any time after the date thereof.

2.2.1 No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Public Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, the Letter of Offer or any other advertisement/publications made or delivered in connection with the Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, the Letter of Offer and/or any other advertisement/publications made or delivered in connection with the Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly, no Public Shareholder in such a jurisdiction may tender his, her or its Equity Shares in this Offer.

2.2.2 Persons in possession of the Public Announcement, the Detailed Public Statement, the Draft Letter of Offer and/or any other advertisement/publications made or delivered in connection with the Offer, are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

3. DETAILS OF THE OFFER

3.1 Background to the Offer

3.1.1 This Offer is made in accordance with the provisions of Regulations 3(1), 4, and 5(1) of the SEBI (SAST) Regulations. This Offer is triggered pursuant to an indirect acquisition of the Equity Shares, voting rights and control of the Target Company by Acquirer 2.

3.1.2 The Target Company is a public limited company incorporated in India with 75% of its equity share capital currently held by ABB Asea Brown Boveri Ltd, a company incorporated under the laws of Switzerland. ABB Asea Brown Boveri Ltd is a wholly owned subsidiary of PAC 2. The Target Company is engaged in the power grids business. The Equity Shares of the Target Company were listed on March 30, 2020 on the Stock Exchanges in accordance with the scheme of arrangement *(as more particularly described below)*. In terms of the scheme of arrangement between ABB India Limited (a public company incorporated in India with its Equity Shares listed on the Stock Exchanges, the "**Transferor**"), the power grids business of the Transferor was demerged to the Target Company ("**Scheme**"). In consideration for the demerger, all the shareholders of the Transferor as on the record date, i.e. December 23, 2019, were allotted 1 fully paid up equity share of INR 2 each of the Target Company for every 5 fully paid up equity shares of INR 2 each held in the Transferor ("**Share Exchange Ratio**"). ABB Asea Brown Boveri Ltd, which held 75% of the equity share capital of the Transferor on December 23, 2019, was issued and allotted equity shares constituting 75% of the equity share capital of the Target Company pursuant to the Scheme.

3.1.3 On December 17, 2018, Acquirer 2 and PAC 2 entered into the SPA in terms of which PAC 2 agreed to transfer its global power grids business, as a going concern, to a minority owned joint venture, in which Acquirer 2, would be the majority shareholder. In India, the power grids business of PAC 2 is undertaken *inter alia* by the Target Company. Pursuant to the SPA, the global power grids business of PAC 2 (including the Equity Shares of the Target Company) is proposed to be transferred to PAC 1 which will be, at the outset, owned at 80.1% by Acquirer 2 and 19.9% by PAC 2.

3.1.4 100% of the equity share capital of PAC 1 is directly held by PAC 2. It is proposed that subject to the satisfaction of various conditions precedent including receipt of customary regulatory approvals such as antitrust clearances and other governmental approvals and the successful fulfilment of the conditions set out in the SPA, 80.1% of the equity share capital of PAC 1 will be transferred by PAC 2 to Acquirer 2 and consequently Acquirer 2 will acquire indirect control over the power grids business of PAC 2 (including the Target Company) ("**Closing**"). Pursuant to the SPA:

(a) the part of PAC 2's global power grids business which is not transferred to PAC 1 prior to or at Closing, due to contingencies involved related to the completion of the carve out process, will be transferred subsequently as part of a delayed closing ("**Delayed Closing**"); and

(b) the Equity Shares of the Target Company are anticipated to be transferred to PAC 1 as part of a delayed closing (i.e. after the completion of certain internal steps in relation to movement of ABB Asea Brown Boveri Ltd's shareholding in the Target Company to PAC 2)

(the "**Underlying Transaction**").

3.1.5 As on the date of this Draft Letter of Offer, Closing of the Underlying Transaction under the SPA is subject to satisfaction of certain conditions including, material completion of the transfer of PAC 2's power grids business to PAC 1 ("**Closing Conditions**"). If the Closing Conditions specified in the SPA are not met for reasons outside the reasonable control of the Acquirers and/ or the PACs and the SPA is rescinded, the Acquirers and the PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations. Satisfaction of the Closing Conditions is subject to a long stop date of June 30, 2021.

3.1.6 Specifically, the Closing Conditions set out in the SPA require satisfaction (or waiver) of the following:

(a) Reorganisation: completion (in all material respects) of the transfer to PAC 1 of such portion of PAC 2's power grids business that generates and includes:

(i) at least 80% of the total revenue attributable to PAC 2's power grids business (or such greater percentage as PAC 2 may from time to time in its absolute discretion decide and notify to Acquirer 2) as determined using the revenue attributable to such business for the financial year ended December 31, 2017;

(ii) PAC 2's power grids business in the United States of America; and

(iii) at least 80% of the total revenue attributable to PAC 2's power grids business (or such greater percentage as PAC 2 may from time to time in its absolute discretion decide and notify to Acquirer 2) as determined using the revenue attributable to such business for the financial year ended December 31, 2017 in the People's Republic of China.

(b) Regulatory approvals: Acquirer 2 is required to obtain the approvals set out below:

(i) anti-trust approvals: receipt of antitrust clearances from the relevant governmental authorities in Brazil, Canada, China, the European Union, India, Israel, Japan, Mexico, Russia, Saudi Arabia, South Africa, Taiwan, Turkey, South Korea, Switzerland, Ukraine and the United States; and

(ii) foreign investment review ("**FIR**") clearances: receipt of FIR clearance in the United States (CFIUS).

3.1.7 As at the date of this Draft Letter of Offer:

(a) all antitrust clearances identified in paragraph 3.1.6(b)(i) above have been received. In India, the anti-trust clearance from the Competition Commission of India was received on April 07, 2020.

(b) the FIR clearance identified in paragraph 3.1.6(b)(ii) above has been received.

3.1.8 The Equity Shares of the Target Company are anticipated to be transferred to PAC 1 as part of the Delayed Closing (after the completion of certain internal steps in relation to movement of ABB Asea Brown Boveri Ltd's shareholding in the Target Company to PAC 2).

3.1.9 However, in terms of the SPA, on and from Closing, Acquirer 2 will be responsible *inter alia* for the management and operation of the entities also forming part of the Delayed Closing. Accordingly, pursuant to the above transfer of 80.1% of the equity share capital of PAC 1 to Acquirer 2, Acquirer 2 will acquire indirect control over the power grids business of PAC 2 (including the Target Company).

3.1.10 As specified above, Acquirer 2 will acquire indirect control over the Target Company on and from Closing and subsequently, indirectly acquire approximately 75% of the Equity Shares of the Target Company as a consequence of the Underlying Transaction, thus resulting in an indirect change of control of the Target Company and indirect acquisition of approximately 75% of the Voting Share Capital.

3.1.11 In terms of the SPA, PAC 2 has agreed that a member of the ABB group would be responsible for purchasing the Offer Shares. Therefore Acquirer 1 has been designated as the ABB group entity which will purchase the Offer Shares. This Offer is being made by the Acquirers along with the PACs under Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations, to acquire the Offer Shares, representing 25% of the total Voting Share Capital.

3.1.12 The acquisition will not be regarded as a deemed direct acquisition of control over the Target Company as it does not fall within the parameters prescribed under Regulation 5(2) of the SEBI (SAST) Regulations.

3.1.13 This Offer is being made by Acquirer 1 for the acquisition of up to 1,05,95,419 fully paid up Equity Shares of the Target Company i.e., the Offer Shares, representing 25.00% of the Voting Share Capital i.e., the Offer Size from all the Public Shareholders of the Target Company. This Offer is being made by Acquirer 1 along with Acquirer 2, and with PAC 1 and PAC 2 acting in their capacity as persons acting in concert with the Acquirers.

3.1.14 This Offer is being made at a price of INR 865.92 per Offer Share, i.e., the Offer Price, comprising an offer price of INR 851 per Offer Share, calculated in accordance with Regulation 8(4) of the SEBI (SAST) Regulations plus interest of INR 14.92 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 June 02, 2020, being the date of publication of the Detailed Public Statement, in terms of Regulation 8(12) of the SEBI (SAST) Regulations.

3.1.15 The Offer Shares validly tendered by the Public Shareholders in the Offer will be acquired by Acquirer 1 in accordance with the terms set forth in the Detailed Public Statement and this Draft Letter of Offer, as well as the Letter of Offer to be issued in accordance with the SEBI (SAST) Regulations.

3.1.16 The Acquirers and the PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

3.1.17 As the Target Company is part of the ABB group as on the date of this Draft Letter of Offer, some of the directors forming part of the Board of Directors, i.e., Mr. Frank Duggan Mr. Venu Nuguri and Mr. Sanjeev Sharma have been nominated by the ABB Group. No directors of the Acquirers or the PACs are on the Board of Directors. The Acquirers and the PACs reserve the right to appoint nominee(s) on the Board of Directors during the Offer Period, in accordance with the SEBI (SAST) Regulations, by depositing 100% of the Maximum Open Offer Consideration payable under the Offer in the Escrow Account – Cash, as required under Regulation 24(1) of the SEBI (SAST) Regulations. As of the date of this Draft Letter of Offer, the Acquirers and the PACs have not made any decision with regard to the appointment of additional directors on the Board of Directors.

3.1.18 In accordance with Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors shall constitute a committee of independent directors to provide its written reasoned recommendation on this Offer to the Public Shareholders. Such recommendation shall be published by the Target Company at least 2 Working Days prior to the commencement of the Tendering Period in the same newspapers in which the Detailed Public Statement was published, in compliance with Regulation 26(7) of the SEBI (SAST) Regulations. Simultaneously, a copy of such recommendations will be sent by the Target Company to SEBI, the Stock Exchanges and to the Manager.

3.2 Details of the Proposed Offer

3.2.1 The Public Announcement made on March 30, 2020 in connection with the Offer was sent by the Manager to the Stock Exchanges, and a copy thereof was sent to the Target Company and the SEBI in accordance with the SEBI (SAST) Regulations.

3.2.2 In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the Manager has, on behalf of the Acquirers and the PACs, published the Detailed Public Statement on June 02, 2020 in the following newspapers:

Newspaper	Language	Edition
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Hosa Digantha	Kannada	Bangalore
Navshakti	Marathi	Mumbai

The Detailed Public Statement was also submitted to SEBI and the Stock Exchanges and sent to the Target Company on June 02, 2020. A copy of each of the Public Announcement and the Detailed Public Statement is also available on the website of SEBI (www.sebi.gov.in).

3.2.3 This Offer is being made by Acquirer 1 for the acquisition of up to 1,05,95,419 fully paid up Equity Shares of the Target Company, representing 25.00% of the Voting Share Capital from all the Public Shareholders of the Target Company. This Offer is being made by Acquirer 1 along with Acquirer 2, and with PAC 1 and PAC 2 acting in their capacity as persons acting in concert with the Acquirers.

3.2.4 This Offer is being made at the Offer Price aggregating to a total consideration of INR 9,17,47,85,220.48 i.e., the Maximum Open Offer Consideration.

3.2.5 The Offer Price will be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement and this Draft Letter of Offer, as well as the Letter of Offer to be issued in accordance with the SEBI (SAST) Regulations.

3.2.6 As of the date of this Draft Letter of Offer, there are no (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (including warrants, fully convertible securities, partly convertible securities and employee stock options) issued by the Target Company.

3.2.7 There is no differential pricing for the Offer.

3.2.8 The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer 1 at any time prior to 1 Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, (i) Acquirer 1 is required to make corresponding increases to the amount kept in the Escrow Account – Cash, as set out in Part 6 (*Offer Price and Financial Arrangements*) of this Draft Letter of Offer; (ii) the Acquirers and the PACs are required to make a public announcement in the newspapers where the Detailed Public Statement was published; and (iii) simultaneously with the issue of such public announcement, the Acquirers and the PACs are required to inform the SEBI, the Stock Exchanges and the Target Company at its registered office of such revision

3.2.9 The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this Draft Letter of Offer.

3.2.10 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.

3.2.11 Other than as specified in paragraph 3.2.12 of Part 3.2 (*Details of the Proposed Offer*) of this Draft Letter of Offer and Part 7.3 (*Statutory and Other Approvals*) of this Draft Letter of Offer, to the best of the knowledge of the Acquirers and the PACs, as on the date of this Draft Letter of Offer, there are no statutory approvals required by the Acquirers and the PACs to complete the acquisition of the Offer Shares under this Offer. However, in case any statutory approvals are required by the Acquirers and/or the PACs prior to completion of the Offer, this Offer shall be subject to such approvals being obtained. In the event that any Closing Condition is not satisfied for reasons outside the reasonable control of the Acquirers and/or the PACs, the Acquirers and the PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.

3.2.12 As on the date of this Draft Letter of Offer, Closing of the Underlying Transaction under the SPA is subject to satisfaction of the Closing Conditions as set out in paragraph 3.1.6 of Part 3.1 (*Background to the Offer*) of this Draft Letter of Offer. If the Closing Conditions specified in the SPA are not met, for reasons outside the reasonable control of the Acquirers and/or the PACs, and the SPA is rescinded, the Acquirers and the PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.

3.2.13 The Acquirer and/or the PAC will have the right to not proceed with the Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations by withdrawing the Offer in the event that any Closing Condition is not satisfied for reasons outside the reasonable control of the Acquirers and/or the PACs. In the event of such withdrawal, the same would be notified, in accordance with Regulation 23 of the SEBI (SAST) Regulations by way of a public announcement in the same newspapers in which the Detailed Public Statement had appeared and SEBI, the Stock Exchanges and the Target Company would simultaneously be informed in writing (in the case of the Target Company, at its registered office).

3.2.14 Where any statutory or other approval extends to some but not all of the Public Shareholders, Acquirer 1 shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer. Further, the Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges, equitable interests and encumbrances. Acquirer 1 shall acquire the Equity Shares of the Public Shareholders in accordance with the terms and conditions set forth in the Detailed Public Statement, this Draft Letter of Offer and the Letter of Offer, the relevant provisions of the SEBI (SAST) Regulations, and any other applicable laws.

3.2.15 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, Acquirer 1 reserves the right to reject such Equity Shares tendered in this Offer.

3.2.16 The Acquirers and the PACs have not directly acquired any Equity Shares of the Target Company between the date of making the Public Announcement, i.e., March 30, 2020, and the date of this Draft Letter of Offer.

3.2.17 As per Regulation 38 of the SEBI LODR Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain minimum public shareholding, as determined in accordance with the SCRR, on a continuous basis for listing. Upon completion of the Offer, if public shareholding of the Target Company falls below the minimum level of public shareholding as required to be maintained by the Target Company as per the SCRR and the SEBI LODR Regulations, Acquirer 1 undertakes to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and/or the SEBI LODR Regulations, within the time period stated therein, i.e., to bring down the non-public shareholding to 75% within 12 months from the date of such fall in the public shareholding to below 25%, through permitted routes and any other such routes as may be approved by SEBI from time to time.

3.2.18 The Offer Shares will be acquired by Acquirer 1, fully paid-up, free from all liens, charges, equitable interests and encumbrances, and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Offer Shares on the foregoing basis.

3.2.19 The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of this Draft Letter of Offer. The Manager shall not deal, on its own account, in the Equity Shares of the Target Company during the Offer Period.

3.3 Object of the Acquisition / Offer

3.3.1 The Underlying Transaction will result in an indirect acquisition of the Equity Shares, voting rights in and control by Acquirer 2 over the Target Company for the purposes of the SEBI (SAST) Regulations, requiring the making of this Offer to the Public Shareholders in accordance with the SEBI (SAST) Regulations.

3.3.2 With the acquisition of PAC 2's global power grids business, Acquirer 2 will offer innovative energy solutions globally by combining PAC 2's world-class grids offering including advanced digital grid solutions with Acquirer 2's digital technology. In addition, Acquirer 2 aims to build an energy platform to realize more energy efficient use of electricity throughout society that connects various fields such as mobility (railways and electric vehicles), life (smart city and buildings) and industry (manufacturing facilities and plants). Acquirer 2 aims at expanding provision of this platform to PAC 2's broad range of customers to promote more efficient use of technology throughout society and empower and grow the social innovation business.

3.3.3 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, as of the date of this Draft Letter of Offer and following Closing, Acquirer 2 has no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or of any of its subsidiaries during the period of 2 years following the completion of the Offer other than (a) in the ordinary course of business, or (b) on account of regulatory approvals or conditions, or compliance with any law that is or becomes binding on or applicable to the operations of the Target Company or of its subsidiaries. If Acquirer 2 intends to alienate any material asset of the Target Company, or of any of its subsidiaries, other than as specified above, within a period of 2 (two) years from the date of completion of this Open Offer, a special resolution of the shareholders of the Target Company or any of its subsidiaries, as applicable, in accordance with Regulation 25(2) of the SEBI (SAST) Regulations would be taken before undertaking any such alienation of any material assets. Acquirer 2 intends to continue the existing business of the Target Company as on the date of this Draft Letter of Offer. As of the date of this Draft Letter of Offer, the Acquirers and PACs cannot ascertain the repercussions, if any, on the employees and locations of the Target Company's places of business.

4. BACKGROUND OF THE ACQUIRERS AND THE PACS

4.1 ABB Switzerland Ltd: Acquirer 1

4.1.1 Acquirer 1 is a private limited company, incorporated on January 10, 1990 under the laws of Switzerland. While the date of incorporation of Acquirer1 is reflected as January 17, 1990 in the Public Announcement, it is hereby clarified that Acquirer 1 was incorporated on January 10, 1990 and that the incorporation was registered in the commercial register on January 17, 1990. Its company registration number is CHE-101.538.426. Acquirer 1 was incorporated in the name of ABB Drives Ltd, which name was changed to ABB Industrie AG on December 22, 1993. Acquirer 1's name was finally changed to ABB Switzerland Ltd on December 11, 2001. Acquirer 1's registered office is located at Bruggerstrasse 66, 5400 Baden Switzerland.

4.1.2 Acquirer 1 is engaged in the business of developing, planning, manufacturing, installing, distributing and trading in equipment, systems, machines, devices and technical products of any kind, particularly in the energy and automation sectors, provides services, primarily in the areas of research, development, information technology, communications and management and business support, and attends to the interest of PAC 2.

4.1.3 The authorised share capital of Acquirer 1 as of the date of the Draft Letter of Offer comprises 5,50,000 shares of face value 100 CHF per share. The total number of issued and outstanding shares of Acquirer 1 comprises 5,50,000 shares.

4.1.4 As of the date of this Draft Letter of Offer, 100% of the share capital of Acquirer 1 is held by ABB Asea Brown Boveri Ltd, a company incorporated in Switzerland, which in turn is a wholly owned subsidiary of PAC 2. The shares of Acquirer 1 are not listed on any stock exchange. Acquirer 1, PAC 1 (as on the date of this Draft Letter of Offer) and PAC 2 comprise part of the ABB group.

4.1.5 The shareholding pattern of Acquirer 1 as on the date of the Draft Letter of Offer is as follows:

Sr. No.	Shareholder	Number of shares held	Percentage of shares held (%)
1.	ABB Asea Brown Boveri Ltd	5,50,000	100
	Total paid up capital	CHF 5,50,00,000	100

4.1.6 As on the date of this Draft Letter of Offer, Acquirer 1 does not hold any Equity Shares in the Target Company. Pursuant to this Offer and assuming full acceptance thereof, Acquirer 1 will hold 25% of the Equity Shares of the Target Company. Other than as aforesaid, Acquirer 1 does not have any relationship with or interest in the Target Company. There are also no common directors on the board of directors of Acquirer 1 and the board of directors of the Target Company.

4.1.7 As on the date of this Draft Letter of Offer, Acquirer 1 has not been prohibited by SEBI from dealing in securities under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

4.1.8 The details of the directors on the board of directors of Acquirer 1 are set out below:

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
1.	Mr. Robert Itschner Country Managing Director	N.A.	Mr. Robert Itschner holds a Master of Science degree in Electrical Engineering and Computer Science from Northwestern University in Illinois, USA. He has been a member of Acquirer 1's board since July 2018. He was previously the Global Marketing and Sales Manager of the Robotics and Motion Division.	July 01, 2018
2.	Mr. Eric Perotti Country Finance Manager	N.A.	Mr. Eric Perotti holds a degree in Economics (BEc) from the University of Chieti, Pescara, Italy and Executive MBA from the University of Toronto, Rotman School of Management, Canada, and University	June 07, 2017

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
			of St. Gallen, Switzerland. He has been a member of Acquirer 1's board since June 2017. He was previously the Chief Financial Officer of ABB Electrification Products Division, Zurich/ Switzerland. Since he joined the ABB Group in 1992, he has held several positions in finance, risk management and controlling in various organizations and countries.	
3.	Ms. Jacqueline Rowlands Head of Legal and Integrity	N.A.	Ms. Jacqueline Rowlands holds a Bachelor degree in Law from the University of Sheffield, England and a Master of Science in Construction Law & Arbitration from Kings College, London. She has been a member of Acquirer 1's board since November 2019. She was previously Senior Legal Counsel at Acquirer 1 since 2005.	November 13, 2019

4.1.9 Acquirer 1's selected financial information based on its audited consolidated financial statements as of and for the financial years ended December 31, 2017, December 31, 2018 and December 31, 2019, is set out below. Such consolidated financial statements were audited by Ernst & Young Ltd., Zurich (for the financial year 2017) and KPMG AG, Zurich (for the financial years 2018 and 2019), Acquirer 1's independent registered accounting firms.

Profit & Loss Statement - Selected Financial Information

Particulars	As at and for financial year ended December 31, 2017		As at and for financial year ended December 31, 2018		As at and for financial year ended December 31, 2019	
	(In CHF millions)	(In INR millions)	(In CHF millions)	(In CHF millions)	(In INR millions)	(In CHF millions)
Income from operations	3,283.53	253,908.99	3,544.23	274,068.81	2,968.44	229,543.84
Other Income	--	--	--	--	--	--
Total Income	3,283.53	253,908.99	3,544.23	274,068.81	2,968.44	229,543.84
Total Expenditure	(3,069.60)	(237,366.67)	(3,201.60)	(247,573.73)	(2,689.10)	(207,943.12)
Profit Before Depreciation, Amortisation, Interest and Tax	213.92	16,542.32	342.63	26,495.08	279.34	21,600.72
Amortisation, depreciation and impairment of non-current assets	(107.76)	(8,333.19)	(260.24)	(20,123.78)	(245.02)	(18,946.63)
Interest	151.76	11,735.23	237.70	18,380.94	(4.97)	(384.05)
Extraordinary or non-recurring income / (expense)	16.48	1,274.35	(0.19)	(15.07)	190.69	14,745.46
Profit/(Loss) Before Tax	274.40	21,218.71	319.90	24,737.17	220.04	17,015.50
Provision for Tax	(23.86)	(1,844.72)	(38.14)	(2,949.67)	(370.99)	(28,688.05)
Profit/(Loss) After Tax	250.54	19,373.99	281.75	21,787.50	182.94	14,146.69

Balance Sheet Statement - Selected Financial Information

Particulars	As at and for financial year ended December 31, 2017		As at and for financial year ended December 31, 2018		As at and for financial year ended December 31, 2019	
	(In CHF millions)	(In INR millions)	(In CHF millions)	(In INR millions)	(In CHF millions)	(In INR millions)
Sources of funds						
Paid up share capital	55.00	4,253.05	55.00	4,253.05	55.00	4,253.05
Reserves and Surplus (excluding revaluation reserves)	731.36	56,554.32	763.01	59,002.07	763.95	59,075.04
Net worth	786.36	60,807.37	818.01	63,255.11	818.95	63,328.09
Other non-current liabilities, including Provisions	281.02	21,730.38	54.46	4,210.94	37.54	2,902.85
Non-current debt	694.05	53,669.68	323.49	25,014.85	473.50	36,614.84
Total	1,761.42	136,207.42	1,195.95	92,480.91	1,329.99	102,845.78
Uses of funds						
Net fixed assets	1,018.39	78,750.47	938.84	72,599.08	546.66	42,272.31
Investments	1,464.44	113,242.43	1,547.45	119,661.20	714.09	55,218.90
Net current assets (net of current assets and current liabilities)	(721.41)	(55,785.47)	(1,290.34)	(99,779.38)	69.24	5,354.57
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total	1,761.42	136,207.42	1,195.95	92,480.91	1,329.99	102,845.78

Other financial data

Particulars	As at and for financial year ended December 31, 2017		As at and for financial year ended December 31, 2018		As at and for financial year ended December 31, 2019	
	(In CHF)	(In INR)	(In CHF)	(In INR)	(In CHF)	(In INR)
Dividend (%)	-	-	-	-	-	-
Earnings/(Loss) per share	456	35,262	512	39,592	333	25,750

Notes: Since the financial statements of Acquirer 1 are presented in CHF, the financial information has been converted to INR for the purpose of convenience. The conversion has been done at the rate CHF 1 = INR 77.3281 as on May 6, 2020. (Source: www.oanda.com).

4.1.10 According to the latest audited consolidated financial statements of Acquirer 1 as of and for the financial year ended December 31, 2019, the details of major contingent liabilities of Acquirer 1 are as below:

(a) Leasing obligations and other similar agreements of CHF 4,75,67,000 comprising of rental obligations with CHIMV (ABB Real Estate company) of CHF 3,63,05,000 as well as obligations related to external personnel of CHF 1,11,07,000.

(b) Guarantees towards subsidiary companies of CHF 9,12,52,500 comprising of a guarantee towards CHIMV (ABB Real Estate company) to ensure the guarantee limit of CHF 8,00,00,000, guarantee towards CHTUS (ABB Turbo Systems AG) to ensure the guarantee limit of CHF 1,00,00,000, plus liabilities defined by two letters of comfort from E&Y of CHF 10,00,000.

(c) Other obligations:

Acquirer 1 has joint liability from consortium agreements and a joint and several liability towards Swiss Federal Tax Administration for VAT deriving from group taxation of ABB. Acquirer 1 is also jointly liable up to the credit limit of 1 million of each currency CHF, EUR, USD for the liabilities from a cash-pooling agreement with Credit Suisse.

4.2 Hitachi, Ltd.: Acquirer 2

4.2.1 Acquirer 2 is a public limited company. It was incorporated on February 01, 1920 under the laws of Japan. Its company registration number is 0100-01-008844. There has been no change in the name of Acquirer 2 since its incorporation. Acquirer 2's registered office is located at 6-6, Marunouchi 1- chome, Chiyoda-ku, Tokyo, 100-8280, Japan.

4.2.2 Acquirer 2 engages in a broad range of business activities, mainly in manufacturing and sales of products and providing services in the following business segments, as of the date of this Draft Letter of Offer: (i) IT solutions, which includes Acquirer 2's business in information & telecommunication (IT) systems and drone solutions; (ii) energy solutions, which includes nuclear power plants, transmission & distribution systems, wind turbines, power generation systems, energy & equipment management services, as well as power semiconductors; (iii) industry solutions, which includes manufacturing, logistics, retail, maintenance, utilities, products (mass production), and products (build-to-order production); (iv) mobility solutions, which includes transportation as well as elevators and escalators; and (v) smartlife solutions, which includes medical equipment, automotive systems, navigation & audio-visual, and home appliances.

4.2.3 Acquirer 2 is a widely held public company listed on the Tokyo Stock Exchange and Nagoya Stock Exchange in Japan with no identified promoter. Acquirer 2 has a dispersed shareholding with no specific controlling shareholders. The ten largest shareholders of Acquirer 2 and their share ownership percentage in Acquirer 2, as on September 30, 2019, is as follows: Master Trust Bank of Japan, Ltd. (Trust Account) (7.61%), Japan Trustee Services Bank, Ltd. (Trust Account) (6.26%), Hitachi Employees' Shareholding Association (2.13%), Nippon Life Insurance Company (1.96%), Japan Trustee Services Bank, Ltd. (Trust Account 5) (1.95%), State Street Bank and Trust Company 505001 (1.84%), State Street Bank and Trust Company 505223 (1.83%), JP Morgan Chase Bank 385151 (1.81%), Nats Cumco (1.77%) and State Street Bank West Client - Treaty 505234 (1.58%). Treasury stock of 1,030,444 shares is not included in the calculation of shareholding ratio. Acquirer 2 belongs to the Hitachi group.

4.2.4 The shareholding pattern of Acquirer 2 as on September 30, 2019 is as follows:

No.	Shareholder Category	Shareholding Percentage	No. of Shares
1.	Promoter	Nil	Nil
2.	Financial Institutions/Other Institutions	35.30	341,477,658
3.	Foreign Investors	45.67	44,17,61,847
4.	Individuals and others	19.03	18,40,40,972
	Total	**100**	**96,72,80,477**

Note: Treasury stock is included in "Other institutions."

4.2.5 As on the date of this Draft Letter of Offer, Acquirer 2 does not hold any Equity Shares in the Target Company. Prior to the consummation of the Underlying Transaction, described in Part 3.1 (*Background to the Offer*) of this Draft Letter of Offer, Acquirer 2 has no relationship with Acquirer 1, PAC 1 or PAC 2. From consummation of the Underlying Transaction described in Part 3.1 (*Background to the Offer*) of this Draft Letter of Offer, Acquirer 2 will hold 80.1% of the equity share capital of PAC 1 and will acquire indirect control over the Target Company and also subsequently indirectly hold the Equity Shares of the Target Company, through its shareholding in PAC 1. As on the date of this Draft Letter of Offer, there are no common directors on the board of directors of Acquirer 2 and the board of directors of the Target Company.

4.2.6 The relationship between Acquirer 2 and the PACs is more specifically articulated in Part 3.1 (*Background to the Offer*) of this Draft Letter of Offer.

4.2.7 As on the date of this Draft Letter of Offer, Acquirer 2 has not been prohibited by SEBI from dealing in securities under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

4.2.8 The details of the directors on the board of directors of Acquirer 2 are set out below:

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
1.	Mr. Katsumi Ihara	N.A.	Mr. Kastumi Ihara holds a degree in Bachelor of Engineering from the Tokyo Institute of Technology and a Master of Business from Stanford University, U.S.A. He has been a director of Acquirer 2 since June 2018. He was previously a member of Sony Corporation and held the roles of Executive Deputy President, Representative Corporate Executive Officer,	June 2018

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
			Member of the Board, and Corporate Executive. He was also the Executive Vice President, Representative Director of Sony Financial Holdings Inc., the President, Representative Director of Sony Financial Holdings Inc., the President, Representative Director of Sony Life Insurance Co., Ltd, the Chairman, Director of Sony Life Insurance Co., Ltd. and the Chairman, Director of Sony Financial Holdings Inc.	
2.	Ms. Cynthia Carroll	N.A.	Ms. Cynthia Carroll holds a degree in Master of Science in Geology from the University of Kansas, and a Master of Business Administration from Harvard Business School. She has been a director of Acquirer 2 since June 2013. She was previously the General Manager, Foil Products of Alcan Inc. (Canada), the Managing Director, Aughinish Alumina Ltd. of Alcan Inc., the President, Bauxite, Alumina and Speciality Chemicals of Alcan Inc., the President & Chief Executive Officer, Primary Metal Group of Alcan Inc., and the Chief Executive Officer, Anglo American plc. (UK).	June 2013
3.	Mr. Joe Harlan	N.A.	Mr. Joe Harlan holds a degree in Bachelor of Science from Indiana University. He has been a director of Acquirer 2 since June 2018. He was previously the Vice President and Chief Financial Officer of Lighting Business, General Electric Company (USA), the Vice President,	June 2018

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
			Corporate Financial Planning and Analysis of 3M Company (USA), the President and Chief Executive Officer of Sumitomo 3M Ltd., the Executive Vice President of Electro and Communications Business, 3M Company (USA), the Executive Vice President, Consumer and Officer Business of 3M Company (USA), the Executive Vice President, Performance Materials of The Dow Chemical Company (USA), the Executive Vice President, Chemicals, Energy and Performance Materials of The Dow Chemical Company (USA), the Chief Commercial Officer and Vice Chairman, Market Business of The Dow Chemical Company (USA) and the Vice Chairman and Chief Commercial Officer of The Dow Chemical Company (USA).	
4.	Mr. George Buckley	N.A.	Mr. George Buckley holds a Ph.D. in Electrical Engineering from the University of Huddersfield. He has been a director of Acquirer 2 since June 2012. He was previously the Chief Technology Officer, Motors, Drives and Appliances of Emerson Electric Company (USA), the President, US Electrical Motors of Emerson Electric Company (USA), the President, Mercury Marine Division and Corporate Vice President of Brunswick Corporation (USA), the President and Chief Operating Officer of Brunswick Corporation (USA), the Chairman and Chief Executive Officer of Brunswick Corporation (USA), the Chairman of the Board,	June 2012

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
			President and Chief Executive Officer of 3M Company (USA), the Executive Chairman of the Board of 3M Company (USA) and the Chairman of Arle Capital Partners Limited (UK).	
5.	Ms. Louise Pentland	N.A.	Ms. Louise Pentland holds a Postgraduate Diploma in Law from the University of Northumbria, Newcastle upon Tyne (UK). She was admitted as a Solicitor (UK) in 1997 and was admitted to the New York State Bar Association in 2009. She has been a director of Acquirer 2 since June 2015. She was previously a Senior Legal Counsel, Nokia Networks of Nokia Corporation (Finland), the Vice President, Acting Chief Legal Officer and Head of IP Legal of Nokia Corporation (Finland), the Senior Vice President and Chief Legal Officer of Nokia Corporation (Finland), the Executive Vice President and Chief Legal Officer of Nokia Corporation (Finland), the General Counsel, PayPal, eBay Inc. (USA) and the Senior Vice President and Chief Legal Officer of PayPal Holdings, Inc. (USA). She is presently the Executive Vice President, Chief Business Affairs and Legal Officer of PayPal Holdings, Inc. (USA).	June 2015
6.	Mr. Harufumi Mochizuki	N.A.	Mr. Harufumi Mochizuki graduated from Faculty of Law, Kyoto University. He has been a director of Acquirer 2 since June 2012. He was previously a member of the Ministry of International	June 2012

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
			Trade and Industry of Japan, Director-General for Commerce and Distribution Policy, Minister's Secretariat, Ministry of Economy, Trade and Industry of Japan ("**METI**"), the Director-General, Small and Medium Enterprise Agency, METI, the Director-General, Agency for Natural Resources and Energy, METI, the Vice-Minister of Economy, Trade and Industry of Japan, the Special Advisor to the Cabinet of Japan and the Senior Adviser to the Board, Nippon Life Insurance Company. He is presently the President and Representative Director, Tokyo Small and Medium Business Investment & Consultation Co., Ltd.	
7.	Mr. Takatoshi Yamamoto	N.A.	Mr. Takatoshi Yamamoto holds a degree in Bachelor of Business Administration from Kobe University of Commence (currently University of Hyogo) He has been a director of Acquirer 2 since June 2016. He was previously a member of Nomura Research Institute, Ltd and the Morgan Stanley Japan Limited. He was the Managing Director of Morgan Stanley Japan Limited, the Managing Director and Vice Chairman, Tokyo Branch of Morgan Stanley Japan Limited, the Managing Director and Vice Chairman, UBS Securities Japan Co., Ltd., the Managing Director of Casio Computer Co., Ltd. and the advisor of Casio Computer Co., Ltd.	June 2016
8.	Mr. Hiroaki Yoshihara	N.A.	Mr. Hiroaki Yoshihara holds a degree in Bachelor of Science in	June 2014

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
			Economics from Osaka University. He has been a director of Acquirer since June 2014. He was previously a member of Peat Marwick Mitchell & Co., the National Managing Partner of the Pacific Rim Practice, KPMG LLP, a Board Member of KPMG LLP and the Vice Chairman and Global Managing Partner of KPMG International.	
9.	Mr. Hiroaki Nakanishi	N.A.	Mr. Hiroaki Nakanishi holds a degree in Bachelor of Engineering in Electrical Engineering from the University of Tokyo and a Master of Science in Computer Engineering Department of Computer Science from Stanford University. He has been a director of Acquirer 2 since June 2010. He joined Acquirer 2 in 1970, was made the Vice President and Executive Officer in 2003 and the Senior Vice President and Executive Officer in 2004. He was the Chairman and Chief Executive Officer of Hitachi Global Storage Technologies, Inc., the Executive Vice President and Executive Officer of Acquirer 2, the Representative Executive Officer, Executive Vice President and Executive Officer of Acquirer 2, the Chairman of the Board of Hitachi Global Storage Technologies, Inc., the Representative Executive Officer and President of Acquirer 2, the Representative Executive Officer, President and Director of Acquirer 2, the Representative Executive Officer, Chairman & Chief	June 2010

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
			Executive Officer and Director of Acquirer 2 and the Executive Chairman and Representative Executive Officer of Acquirer 2. He is presently the Executive Chairman and Executive Officer of Acquirer 2.	
10.	Mr. Toyoaki Nakamura	N.A.	Mr. Toyoaki Nakamura holds a degree in Bachelor of Economics from Keio University. He has been a director of Acquirer 2 since June 2016. He joined Acquirer 2 in 1975, was made the General Manager, Finance Department I of Acquirer 2 in 2006. He was the Representative Executive Officer, Senior Vice President and Executive Officer of Acquirer 2, the Representative Executive Officer, Senior Vice President and Executive Officer, and Director of Acquirer 2, the Representative Executive Officer, Senior Vice President and Executive Officer of Acquirer 2, the Representative Executive Officer, Executive Vice President and Executive Officer of Acquirer and the Associate of Acquirer 2.	June 2016
11.	Mr. Toshiaki Higashihara	N.A.	Mr. Toshiaki Higashihara graduated from Faculty of Engineering, Tokushima University and holds a degree in a Master of Science in Computer Science from Boston University. He has been a director of Acquirer 2 since June 2014. He joined Acquirer 2 in 1977 and was made the Vice	June 2014

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
			President and Executive Officer in 2007. He was the President of Hitachi Power Europe GmbH, the Representative Executive Officer, President and Chief Executive Officer of Hitachi Plant Technologies, Ltd., the President and Representative Director of Hitachi Plant Technologies, Ltd., the Vice President and Executive Officer of Acquirer 2, the Senior Vice President and Executive Officer of Acquirer 2, the Representative Executive Officer and President & COO of Acquirer 2 and the Representative Executive Officer, President & COO and Director of Acquirer 2 He is presently the Representative Executive Officer, President & CEO and Director of Acquirer 2.	

4.2.9 Acquirer 2's selected financial information based on its audited consolidated financial statements as of and for the financial years ended March 31, 2017,March 31, 2018, March 31, 2019 audited by Ernst & Young ShinNihon LLC, Acquirer 2's auditors, and interim financials as at and for the 9 month period ended on December 31, 2019 which has been subjected to limited review by Acquirer's 2 auditors, is set out below.

Profit & Loss Statement - Selected Financial Information

Particulars	Year ended March 31, 2017 (Audited)		Year ended March 31, 2018 (Audited)		Year ended March 31, 2019 (Audited)		As at and for the 9 months ended on December 31, 2019 (Unaudited)	
	(In JPY millions)	**(In INR millions)**	**(In JPY millions)**	**(In INR millions)**	**(In JPY millions)**	**(In INR millions)**	**(In JPY millions)**	**(In INR millions)**
Income from Operations[a]	9,162,264	6,484,134.23	9,368,614	6,630,168.13	9,480,619	6,709,434.07	6,344,181	4,489,776.89
Other Income[b]	60,647	42,919.88	81,556	57,717.18	205,048	145,112.47	78,609	55,631.59
Total Income	9,222,911	6,527,054.11	9,450,170	6,687,885.31	9,685,667	6,854,546.54	6,422,790	4,545,408.48
Total Expenditure[c]	(8,332,546)	(5,896,942.80)	(8,441,481)	(5,974,036.10)	(8,803,717)	(6,230,390.52)	(6,051,358)	(4,282,546.06)
Profit Before Depreciation, Interest Expenses and Taxes	890,365	630,111.31	1,008,689	713,849.21	881,950	624,156.02	371,432	262,862.43
Depreciation and Amortization	(415,183)	(293,825.01)	(364,432)	(257,908.53)	(368,044)	(260,464.74)	(316,482)	(223,974.31)
Interest Expenses[d]	(6,091)	(4,310.60)	(5,611)	(3,970.90)	2,596	1,837.19	(2,829)	(2,002.08)
Profit Before Tax	469,091	331,975.70	638,646	451,969.77	516,502	365,528.47	52,121	36,886.03

Particulars	Year ended March 31, 2017 (Audited)		Year ended March 31, 2018 (Audited)		Year ended March 31, 2019 (Audited)		As at and for the 9 months ended on December 31, 2019 (Unaudited)	
	(In JPY millions)	(In INR millions)	(In JPY millions)	(In INR millions)	(In JPY millions)	(In INR millions)	(In JPY millions)	(In INR millions)
Provision for Tax	(125,112)	(88,541.76)	(131,708)	(93,209.75)	(186,344)	(131,875.65)	35,266	24,957.75
Loss from discontinued operations	(5,950)	(4,210.82)	(16,020)	(11,337.35)	(9,136)	(6,465.55)	(1,187)	(840.04)
Profit After Tax	338,029	239,223.12	490,918	347,422.67	321,022	227,187.27	86,200	61,003.74

Balance Sheet Statement - Selected Financial Information

Particulars	Year ended March 31, 2017 (Audited)		Year ended March 31, 2018 (Audited)		Year ended March 31, 2019 (Audited)		As at and for the 9 months ended on December 31, 2019 (Unaudited)	
	(In JPY millions)	(In INR millions)	(In JPY millions)	(In INR millions)	(In JPY millions)	(In INR millions)	(In JPY millions)	(In INR millions)
Sources of Funds								
Paid up share capital[(e)]	458,790	324,685.68	458,790	324,685.68	458,790	324,685.68	459,862	325,444.34
Reserves and Surplus (excluding revaluation reserves)[(f)]	2,508,295	1,775,120.37	2,819,234	1,995,171.90	2,803,813	1,984,258.46	2,769,611	1,960,053.70
Net worth[(g)]	2,967,085	2,099,806.05	3,278,024	2,319,857.58	3,262,603	2,308,944.14	3,229,473	2,285,498.04
Non-controlling interests	1,129,910	799,637.31	1,233,647	873,051.98	1,151,800	815,128.86	1,132,780	801,668.41
Long-term debt	790,013	559,092.20	811,664	574,414.61	708,490	501,398.37	845,825	598,590.35
Other non-current liabilities[(h)]	1,056,050	747,366.59	987,874	699,118.43	898,139	635,612.97	879,447	622,384.64
Total	**5,943,058**	**4,205,902.15**	**6,311,209**	**4,466,442.61**	**6,021,032**	**4,261,084.35**	**6,087,525**	**4,308,141.44**
Use of Funds								
Net fixed assets[(i)]	2,917,612	2,064,794.01	3,179,197	2,249,917.72	2,916,701	2,064,149.30	3,357,292	2,375,955.55
Investments[(j)]	1,449,601	1,025,882.63	1,459,838	1,033,127.35	1,292,810	914,921.64	996,055	704,908.12
Other non-current assets[(k)]	294,098	208,133.15	315,768	223,469.01	381,288	269,837.52	384,435	272,064.65
Net current assets[(l)]	1,281,747	907,092.35	1,356,406	959,928.53	1,430,233	1,012,175.89	1,349,743	955,213.12
Total	**5,943,058**	**4,205,902.15**	**6,311,209**	**4,466,442.61**	**6,021,032**	**4,261,084.35**	**6,087,525**	**4,308,141.44**

Other financial data

Particulars	Year ended March 31, 2017 (Audited)		Year ended March 31, 2018 (Audited)		Year ended March 31, 2019 (Audited)		As at and for the 9 months ended on December 31, 2019 (Unaudited)	
	(In JPY)	(In INR)	(In JPY)	(In INR)	(In JPY)	(In INR)	(In JPY)	(In INR)
Dividend (%)[(m)]	64.2%	64.2%	53.2%	53.2%	50.0%	50.0%	-	-
Basic Earnings Per Share (JPY)	101.20	71.62	140.97	99.76	180.26	127.57	89.12	63.07

Notes: Since the financial statements of Acquirer 2 are presented in JPY, the financial information has been converted to INR for the purpose of convenience. The conversion has been done at the rate JPY 1 = INR 0.7077 as on May 6, 2020. (Source: www.oanda.com).

(a) Income from operations is Revenues
(b) Other Income is the sum of Financial Income, Share of profits of investments accounted for using the equity method and Other income

(c) Total Expenditure (excluding depreciation and amortization) is the sum of Cost of sales, Selling, general and administrative expenses, Other expenses and Financial expenses excluding Depreciation and amortization
(d) Interest Expenses is net of Interest income and Interest charges
(e) Paid up share capital is the Common stock
(f) Reserves and Surplus (excluding revaluation reserves) is the sum of Capital surplus, Retained earnings, Accumulated other comprehensive income and Treasury stock at cost
(g) Net Worth is the sum of Paid up share capital and Reserves and surplus
(h) Other Non-current liabilities is the sum of Retirement and severance benefits, and Other non-current liabilities
(i) Net fixed assets is the sum of Property, plant and equipment and Intangibles assets
(j) Investments is the sum of Investments accounted for using the equity method and Investments in securities and other financial assets
(k) Other non-current assets is the sum of Lease receivables and Other non-current assets
(l) Net current assets is net of Total current assets and Total current liabilities
(m) Dividend (%) is Dividend Per Share divided by Consolidated Basic Earnings Per Share. Dividend as % of par value of the shares of Hitachi, Ltd. is not available.

4.2.10 The major contingent liabilities of Acquirer 2 on a consolidated basis, as on March 31, 2019, as disclosed in its audited financial statements under the head 'Commitments and Contingencies' for the financial year ended March 31, 2019 and under the head 'Contingencies' in its limited review interim financial statements for the 9 month period ended on December 31, 2019, are set out below:

(a) Loan commitments:

(i) Loan commitments to associates and others: Acquirer 2 provides loan commitments to associates and others. The outstanding balance of loan commitments as of March 31, 2019 is as follows: the total commitments available was JPY 73,131 million, of which JPY 70,039 million has been utilized, and the balance available is JPY 3,092 million.

Since some loan commitments require credit approval before execution, the amount of total commitments available may not be necessarily utilized in full.

(ii) Commitments with financial institutions:

Acquirer 2 and certain subsidiaries have line of credit arrangements with banks in order to secure efficient financing for business operations. The total unused line of credit as of March 31, 2019 amounted to JPY 4,65,009 million, primarily belonging to Acquirer 2. Acquirer 2 has commitment line agreements with a number of banks and pays commitment fees as consideration. These commitment agreements generally provide a one year term with renewal at the end of the term. The unused line of credit under these arrangements as of March 31, 2019 amounted to JPY 2,00,000 million. Acquirer 2 also maintains other commitment line agreements with several financial institutions, with terms of three years ending in July 2019. The unused line of credit under these arrangements as of March 31, 2019 amounted to JPY 2,00,000 million.

(b) Commitments for acquisition of assets:

As of March 31, 2019, outstanding commitments made to purchase property, plant and equipment were JPY 77,906 million.

(c) Guarantee obligations:

Acquirer 2 and certain subsidiaries provide debt guarantees to their associates, joint ventures and third parties. As of March 31, 2019, the balance of the guarantee obligations was JPY 56,630 million. It consisted of guarantees to associates of JPY

37,845 million, to joint ventures of JPY 3,087 million and to third parties of JPY 15,698 million.

(d) Litigation:

In July 2011, a subsidiary in the U.S.A. received a grand jury subpoena from the Antitrust Division of the DoJ, Acquirer 2 and a subsidiary in Europe received requests for information from the European Commission, and a subsidiary in Canada received requests for information from the Canadian Competition Bureau, all in respect of alleged antitrust violations relating to automotive equipment. In November 2013, fines were paid by a subsidiary in Japan (primarily responsible for responding to the investigation) in relation to DoJ investigation. In January 2016, Acquirer 2 and the subsidiary in Japan (also primarily responsible for responding to the European Commission investigation) reached a settlement with the European Commission, and paid fines in April 2016.

In April 2014, a subsidiary in the U.S.A. received a grand jury subpoena in connection with the DoJ Antitrust investigation in respect of alleged antitrust violations relating to automotive equipment. In August 2016, a subsidiary in Japan, concluded an agreement and paid fines in March 2017.

In addition to the above, Acquirer 2, its subsidiaries and associates have cooperated with the competent authorities. Depending upon the outcome of these matters, fines or surcharge payments, of uncertain amounts may be imposed on them. Also, in connection with pending and settled antitrust violations, civil disputes, including class action lawsuits, involving Acquirer 2 and some of these companies have arisen in a number of countries, including in the U.S.A. and Canada. An amount, considered to be a reasonable estimate in respect of these claims, was accrued for the potential losses in relation to certain of these civil disputes.

In 2017 and 2018, a subsidiary in Japan received complaints that were filed against three companies (a construction company, the subsidiary and a secondary subcontractor) by a contractee in Japan seeking approximately JPY 51.0 billion in compensation for expenses allegedly incurred arising from concerns over partial deficiencies of piling work during the construction phases of a condominium complex. In 2018, the subsidiary in Japan received complaints that were filed against the subsidiary and the secondary subcontractor, by the construction company seeking approximately JPY 54.8 billion in compensation for expenses allegedly incurred arising from the aforementioned lawsuit. Although the subsidiary in Japan will address these claims and explain its position, there can be no assurance that it will not be held liable for any amounts claimed.

In December 2017, a subsidiary and an associate in Europe received a complaint filed by a customer in Europe seeking compensation for consequential losses of EUR 263 million (JPY 32,234 million) and interest allegedly incurred by performance defects of a power plant. As of December 31, 2019, the amount of compensation claimed by the customer was changed to EUR 270 million (JPY 33,089 million). Although the subsidiary and the associate in Europe will vigorously defend themselves against this lawsuit, there can be no assurance that they will not be held liable for any amounts claimed.

Acquirer 2 and its subsidiaries execute a number of business reorganizations, including mergers, acquisitions and divestitures. Contracts for these reorganizations include clauses for transaction price adjustments subsequent to the reorganizations. There is a possibility products or services provided by Acquirer 2 and its subsidiaries contain defects. As the result of price adjustments, or in compensation for defects in products or services etc. there is a possibility that Acquirer 2 pays for any amounts.

Depending upon the outcome of the above legal proceedings, there may be an adverse effect on the consolidated financial position or results of operations. Currently, Acquirer 2 is unable to estimate the adverse effect, if any, of many of these proceedings. The actual amount of fines, surcharge payments or any other payments resulting from these legal proceedings may be different from the accrued amounts.

In addition to the above, Acquirer 2 and its subsidiaries are subject to legal proceedings and claims which have arisen in the ordinary course of business and have not been finally adjudicated. These actions when ultimately concluded and determined will not, in the opinion of management, have a material adverse effect on the consolidated financial statements of Acquirer 2 and subsidiaries.

(e) Other

In 2014, Acquirer 2 and Mitsubishi Heavy Industries, Ltd. ("**MHI**") integrated their thermal power generation systems businesses into MHI's consolidated subsidiary, Mitsubishi Hitachi Power Systems, Ltd. ("**MHPS**"). As part of this business integration, assets and liabilities associated with certain boiler construction projects of certain subsidiaries of Acquirer 2 in the Republic of South Africa were transferred to MHI's consolidated subsidiary, Mitsubishi Hitachi Power Systems Africa Proprietary Limited ("**MHPS Africa**"). In 2016 and 2017, MHI requested Acquirer 2 to pay ZAR 89,700 million (JPY 763.4 billion when ZAR 1 = JPY 8.51) to MHPS Africa as a portion of transfer price adjustment pursuant to the agreement for the above business integration. Acquirer 2 replied that the requests cannot be accepted since they lacked legal grounds under any agreement. On August 21, 2017, Acquirer 2 received a notice from the Japan Commercial Arbitration Association stating that MHI had filed a request for arbitration to claim for payment of ZAR 90,779 million (approximately JPY 774.3 billion when ZAR 1 = JPY 8.53) as transfer price adjustment. In 2019, Acquirer 2 and MHI reached a settlement agreement under which common shares of MHPS held by Acquirer 2 will be transferred to MHI (provisioned as JPY 2,73,272 million by Acquirer 2), and Acquirer 2 will pay JPY 1,30,000 million to MHI (recorded as accounts payable by Acquirer 2).

4.2.11 The equity shares of Acquirer 2 are listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange in Japan.

4.2.12 The closing market price of the equity shares of Acquirer 2 on June 05, 2020 is as set out below:

Sr. No.	Stock Exchange	Closing Price per Share (JPY)
1.	Tokyo Stock Exchange	3761.00
2.	Nagoya Stock Exchange	3799.00

4.2.13 Acquirer 2 is in compliance with applicable corporate governance requirement set out in the Companies Act of Japan (Act No. 86 of 2005) to which it is subject.

4.2.14 Kohei Kodama, kohei.kodama.ut@hitachi.com is the Chief Legal Officer of Acquirer 2.

4.3 ABB Management Holding AG: PAC 1

4.3.1 PAC 1 is a private limited company. It was incorporated on September 20, 2018 under the laws of Switzerland. Its company registration number is CHE-339.599.331. There has been no change in the name of PAC 1 since its incorporation. PAC 1's registered office is situated at Affolternstrasse 44, 8050 Zurich Switzerland.

4.3.2 PAC 1 is engaged in the business of acquiring, holing, managing, exploiting and selling interests in participations in Switzerland and abroad, particularly in companies active in the manufacturing industry and related areas, as well as to provide services internally or to subsidiaries.

4.3.3 The authorised share capital of PAC 1 as of the date of the Draft Letter of Offer comprises 12,50,000 shares of, of face value 1 CHF per share. The total number of issued and outstanding shares of PAC 1 comprises 10,51,000 shares. The issued and paid up share capital of PAC 1 consists of 10,01,250 A Shares of par value CHF 1 each and 2,48,750 B Shares of par value CHF 1 each (of which 1,99,000 are non paid-up).

4.3.4 PAC 1 is a wholly owned subsidiary of PAC 2. As on the date of this Draft Letter of Offer, PAC 1 comprises part of the ABB group. However, from Closing as described in Part 3.1 (*Background to the Offer*) of this Draft Letter of Offer, PAC 1 will comprise part of the Hitachi Group. The equity shares of PAC 1 are not listed on any stock exchange.

4.3.5 As on the date of this Draft Letter of Offer, PAC 1 does not hold any Equity Shares in the Target Company. Further, apart from the Underlying Transaction, PAC 1 does not have any relationship with or interest in the Target Company other than the fact that up and until Closing, they are both part of the ABB Group. There are also no common directors on the board of directors of PAC 1 and the board of directors of the Target Company.

4.3.6 As on the date of this Draft Letter of Offer, PAC 1 has not been prohibited by SEBI from dealing in securities under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

4.3.7 The details of the directors on the board of directors of PAC 1 are set out below:

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
1.	Mr. Thomas Fuerer Director	N.A.	Mr. Thomar Fuerer is a certified Tax Expert, Fiduciary Expert (Chartered Accountant) and Financial Analyst in Switzerland. He holds a PMD from Harvard. He joined the ABB group in March 2001. He held various	September, 2018

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
			positions within the ABB group. He is currently Head of Taxes for the ABB group.	
2.	Mr. Alex Hall Director	N.A.	Mr. Alex Hall holds a degree in BSC Econ Politics from the University College Swansea, and an MSC in International Relations from the University of Bristol He started his career as a banker with NatWest Markets in London specializing in tax based financing before moving to IBM in Switzerland to help build an operating subsidiary to serve international clients. Since joining the ABB group in 1997 he has held various senior finance roles including Head of Capital Markets, Group Treasurer, Head of Finance & Controlling. He is presently the Head of Global Finance Operations.	September, 2018

4.3.8 PAC 1 was incorporated on September 20, 2018 and hence, there are no financial statements related to PAC 1 for the financial year ended December 31, 2018. PAC 1's selected financial information based on its audited consolidated financial statements as of and for the financial year ended December 31, 2019, is set out below. Such consolidated financial statements were audited by KPMG AG, PAC 1's independent registered accounting firm.

Profit & Loss Statement - Selected Financial Information

Particulars	As at and for financial year ended December 31, 2019	
	(In CHF million)	(In INR million)
Income from operations	166.43	12,869.82
Other Income	--	--
Total Income	166.43	12,869.82
Total Expenditure	(162.29)	(12,549.73)
Profit Before Interest and Tax	4.14	320.09
Net Interest Expense	(0.45)	(34.71)
Profit/(Loss) Before Tax	3.69	285.37
Provision for Tax	(2.27)	(175.17)
Profit/(Loss) After Tax	1.43	110.20

Balance Sheet Statement - Selected Financial Information

Particulars	As at and for financial year ended December 31, 2019	
	(In CHF)	(In INR)
Sources of funds		
Paid up share capital	1.25	96.66
Reserves and Surplus (excluding revaluation reserves)	512.95	39,665.77
Net worth	514.20	39,762.43
Secured loans	--	--
Unsecured loans	--	--
Total	514.20	39,762.43
Uses of funds		
Net fixed assets	--	--
Investments	2,456.57	189,961.56
Net current assets/(liabilities)	(1,942.36)	(150,199.14)
Total miscellaneous expenditure not written off	--	--
Total	514.20	39,762.43

Other financial data

Particulars	As at and for financial year ended December 31, 2019	
	(In CHF)	(In INR)
Dividend (%)	n/a	n/a
Earnings/(Loss) per share(1)	n/a	n/a

Notes: Since the financial statements of PAC 1 are presented in CHF, the financial information has been converted to INR for the purpose of convenience. The conversion has been done at the rate CHF 1 = INR 77.3281 as on May 6, 2020. (Source: www.oanda.com).

(1) As the issued and paid up capital of PAC 1 consists of multiple class of equity shares, the EPS has not been computed.

4.3.9 PAC 1 is part of the ABB group and the financials of PAC 1 are consolidated with its holding company, i.e., PAC 2. Please refer to Paragraph 4.4.10 of Part 4 (*Background of the Acquirers and the PACs*) of this Draft Letter of Offer for details of major contingent liabilities of PAC 2.

4.4 ABB Ltd: PAC 2

4.4.1 PAC 2 is a public listed company. It was incorporated on March 05, 1999 under the laws of Switzerland. Its company registration number is CHE-101.049.653. PAC 2 was originally incorporated as New ABB Ltd and its name was subsequently changed to its present name, ABB Ltd. PAC 2's registered office is located at Affolternstrasse 44, 8050 Zurich, Switzerland.

4.4.2 PAC 2 is engaged in the following businesses: (i) electrification, whereby it provides products, services and connected solutions throughout the electrical value chain from the substation to the point of consumption across the world; (ii) industrial automation, whereby it offers customers in process and hybrid industries a broad range of industry-specific integrated automation, electrification and digital solutions that are designed to optimize the productivity, energy efficiency and safety of their industrial processes and operations; (iii) motion, whereby it provides pioneering technology, products, solutions and related services to industrial customers to increase energy efficiency, improve safety and reliability, and maintain precise control over processes; (iv) robotics and discrete automation ,whereby it provides robotics, and machine and factory automation from single products to complete systems including services; and (v) power grids, whereby it develops, engineers, manufactures and sells products, systems and projects that relate to the businesses of power grids automation, power grids integration, high voltage products and transformers.

4.4.3 The authorised share capital of PAC 2 as of the date of the Draft Letter of Offer comprises 216,81,48,264 shares of common stock, of face value CHF 0.12 per share. The total number of issued and outstanding shares of PAC 2 as of December 31, 2019 comprises 216,81,48,264 shares of common stock.

4.4.4 The equity shares of PAC 2 are listed on the SIX Swiss Exchange, the NASDAQ OMX Stockholm Exchange and the New York Stock Exchange (in the form of American depository shares). PAC 2 is a widely held public listed company with no identifiable promoter. Under the SIX Swiss Exchange Act, PAC 2 is required to disclose shareholders that reach, exceed or fall below the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 33.33%, 50% or 66.66% of its voting rights. An additional disclosure requirement exists under the Swiss Federal Code of Obligations to disclose shareholders and their shareholdings if they hold more than 3% of all voting rights. This must be made once a year in the annual report.

4.4.5 As of December 31, 2019, the significant shareholders of PAC 2 holding more than 3% of its total share capital and voting rights were Investor AB, Sweden, Cevian Capital GP II Limited, Jersey, BlackRock Inc., U.S. and Artisan Partners Limited Partnership, U.S. As of May 12, 2020, PAC 2 has three shareholders holding more than 3% of its total share capital and voting rights. They are Investor AB, Sweden (12.1% of PAC 2's total share capital and voting rights), Cevian Capital GP II Limited, Jersey (5.92% of PAC 2's total share capital and voting rights) and BlackRock Inc., U.S. (3.36% of PAC 2's total share capital and voting rights).

4.4.6 PAC 2 is the ultimate holding company of the ABB group.

4.4.7 As on the date of this Draft Letter of Offer, PAC 2 does not directly hold any Equity Shares in the Target Company. PAC 2 presently holds 100% of the equity share capital of ABB Asea Brown Boveri Ltd, which in turn holds 75% of the Equity Shares of the Target Company. Other than the foregoing, PAC 2 does not have any relationship with or interest in the Target Company. There are also no common directors on the board of directors of PAC 2 and the board of directors of the Target Company.

4.4.8 As on the date of this Draft Letter of Offer, PAC 2 has not been prohibited by SEBI from dealing in securities under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

4.4.9 The details of the directors on the board of directors of PAC 2 are set out below:

Sr. No.	Name of Director and Designation	D.I.N (if any)	Experience & Qualifications	Date of Appointment
1.	Mr. Peter R. Voser Chief Executive Officer	N.A.	Mr. Peter R. Voser holds a degree in business administration from the University of Applied Sciences, Zürich, Switzerland. He has been a member and Chairman of PAC 2's board of directors since April 2015 and PAC 2's chief executive officer since April 2019. He is a member of the board of directors of IBM Corporation (U.S.). He is also a member of the board of directors of Temasek Holdings (Private) Limited (Singapore) as well as chairman of the board of PSA International Pte Ltd (Singapore), one of its subsidiaries. In addition, he is the chairman of the board of trustees of the St. Gallen Foundation for International Studies. He was previously the chief executive officer of Royal Dutch Shell plc (The Netherlands).	April 2015
2.	Mr. Jacob Wallenberg Vice Chairman	N.A.	Mr. Jacob Wallenberg holds an MBA degree from the Wharton School, University of Pennsylvania, U.S. and a Bachelor of Science in Economics from the Wharton School, University of Pennsylvania, U.S. He has also served as an officer in the Royal Swedish Naval Reserve. He has been a member of PAC 2's board of directors since June 1999 and Vice-Chairman since April 2015. He is the chairman of the board of Investor AB (Sweden). He is vice-chairman of the boards of Telefonaktiebolaget LM	April 2015

			Ericsson, FAM AB and Patricia Industries (all Sweden). He is also a member of the boards of directors of Nasdaq, Inc. (U.S.) and the Knut and Alice Wallenberg Foundation (Sweden) as well as a member of the nomination committee of SAS AB (Sweden).	
3.	Mr. Matti Alahuhta Director	N.A.	Mr. Matti Alahuhta holds a Ph.D (Technology), from Helsinki University of Technology, Finland and a Master in Science (Technology) from Helsinki University of Technology, Finland. He has been a member of PAC 2's board of directors since April 2014. He is the chairman of the boards of Outotec Corporation and of DevCo Partners Oy (both Finland). He is also a member of the boards of directors of KONE Corporation (Finland) and AB Volvo (Sweden). He was previously the president and chief executive officer of KONE Corporation and he served in several executive positions at Nokia Corporation (Finland).	April 2014
4.	Mr. Gunnar Brock Director	N.A.	Mr. Gunnar Brock holds an MBA from Stockholm School of Economics, Sweden He also served in the Swedish Royal Marine Corps, Sweden. He has been a member of PAC 2's board of directors since March 2018. He is currently chairman of the boards of Slättö Invest AB, Mölnlycke Health Care AB and Stena AB (all Sweden). He is a member of the boards of directors of Investor AB and Patricia Industries (both Sweden). He was formerly president and	March 2018

			chief executive officer of Atlas Copco AB (Sweden).	
5.	Mr. David Constable Director	N.A.	Mr. David Constable holds a degree in the Advanced Management Program from the Wharton School, University of Pennsylvania, U.S., a degree in International Management Program from Thunderbird School of Global Management, Glendale, Arizona, U.S. and a bachelor's degree in Civil Engineering from University of Alberta, Canada. He has been a member of PAC 2's board of directors since April 2015. He is a member of the boards of directors of Rio Tinto plc (U.K.), Rio Tinto Limited (Australia) and Fluor Corporation (U.S.). He was formerly the chief executive officer and president as well as a member of the board of directors of Sasol Limited (South Africa). He joined Sasol after more than 29 years with Fluor Corporation (U.S.).	April 2015
6.	Mr. Frederico Fleury Curado Director	N.A.	Mr. Frederico Fleury Curado holds an executive MBA from University of São Paulo, Brazil and a bachelor's degree in Mechanical-Aeronautical Engineering from Instituto Technológico de Aeronáutica, Brazil. He has been a member of PAC 2's board of directors since April 2016. He is the chief executive officer of Ultrapar Participações S.A. (Brazil) and a member of the board of directors of Transocean Ltd. (Switzerland). He was formerly the chief	April 2016

			executive officer of Embraer S.A. (Brazil).	
7.	Mr. Lars Förberg Director	N.A.	Mr. Lars Förberg holds a Master of Science in Economics and Business Administration from Stockholm School of Economics, Sweden, including studies at the University of Michigan, U.S. He has been a member of PAC 2's board of directors since April 2017. He is co-founder and managing partner of Cevian Capital. Mr. Förberg is the chairman of the Human Practice Foundation (Denmark).	April 2017
8.	Ms. Jennifer Xin-Zhe Li Director	N.A.	Ms. Jennifer Xin-Zhe Li holds an MBA from University of British Columbia, Vancouver, Canada and a bachelor's degree in Arts from Tsinghua University, Beijing, China. She has been a member of PAC 2's board of directors since March 2018. She is a member of the boards of directors of Philip Morris International Inc. (U.S.), HSBC Asia (Hong Kong) and Flex Ltd (Singapore/ U.S.). Ms. Li is a founder and general partner of Changcheng Investment Partners (P.R.C.). She was previously the chief executive officer (general managing partner) of Baidu Capital (P.R.C.). She formerly served as chief financial officer of Baidu Inc. (P.R.C.).	March 2018
9.	Ms. Geraldine Matchett	N.A.	Ms. Geraldine Matchett is a Chartered Accountant, and a member of the Institute of Chartered Accountants in England and Wales (ICAEW), the U.K. She holds a master's degree in Sustainable Development from University of Cambridge, the	March 2018

			U.K. and a bachelor's degree in Physical and Human Geography from University of Reading, the U.K. She has been a member of PAC 2's board of directors since March 2018. She is the co-chief executive officer (since February 2020), the chief financial officer and a member of the managing board of Royal DSM N.V. (The Netherlands). She was previously chief financial officer of SGS Ltd (Switzerland). Prior to joining SGS she worked as an auditor at Deloitte Ltd (Switzerland) and KPMG LLP (U.K.).	

4.4.10 PAC 2's selected financial information based on its audited consolidated financial statements as of and for the financial years ended December 31, 2017, December 31, 2018 and December 31, 2019, is set out below. Such consolidated financial statements were audited by Ernst & Young AG (for the financial year 2017) and KPMG AG (for the financial years 2018 and 2019), PAC 2's independent registered accounting firm.

Profit & Loss Statement - Selected Financial Information

Particulars	**As at and for financial year ended December 31, 2017**		**As at and for financial year ended December 31, 2018**		**As at and for financial year ended December 31, 2019**	
	(USD in millions)	**(INR in millions)**	**(USD in millions)**	**(INR in millions)**	**(USD in millions)**	**(INR in millions)**
Income from operations	25,196.00	1,889,049.94	27,662.00	2,073,936.32	27,978.00	2,097,628.17
Other Income	--	--	--	--	--	--
Total Income	25,196.00	1,889,049.94	27,662.00	2,073,936.32	27,978.00	2,097,628.17
Total Expenditure	(22,933.00)	(1,719,383.33)	(25,353.00)	(1,900,820.89)	(25,968.00)	(1,946,930.03)
Profit Before Interest and Tax	2,263.00	169,666.61	2,309.00	173,115.43	2,010.00	150,698.14
Depreciation and Amortization	(836.00)	(62,678.43)	(916.00)	(68,676.37)	(961.00)	(72,050.21)
Profit Before Depreciation, Amortization, Interest and Tax	3,099.00	232,345.05	3,225.00	241,791.80	2,971.00	222,748.35
Net Interest Expense	(161.00)	(12,070.85)	(190.00)	(14,245.10)	(148.00)	(11,096.18)
Profit/(Loss) Before Tax	2,102.00	157,595.77	2,119.00	158,870.33	1,862.00	139,601.96
Provision for Tax	(583.00)	(43,709.96)	(544.00)	(40,785.96)	(772.00)	(57,880.08)
Income from Discontinued Operations, Net of Tax	846.00	63,428.17	723.00	54,206.35	438.00	32,838.70
Profit/(Loss) After Tax	2,365.00	177,313.98	2,298.00	172,290.71	1,528.00	114,560.58

Particulars	As at and for financial year ended December 31, 2017		As at and for financial year ended December 31, 2018		As at and for financial year ended December 31, 2019	
	(USD in millions)	(INR in millions)	(USD in millions)	(INR in millions)	(USD in millions)	(INR in millions)
Profit/(Loss) After Tax Attributable to Non-Controlling Interests	(152.00)	(11,396.08)	(125.00)	(9,371.78)	(89.00)	(6,672.70)
Profit/(Loss) After Tax Attributable to Shareholders	2,213.00	165,917.90	2,173.00	162,918.94	1,439.00	107,887.87

** Includes non-operational pension (cost) credit*

Balance Sheet Statement - Selected Financial Information

Particulars	As at and for financial year ended December 31, 2017		As at and for financial year ended December 31, 2018		As at and for financial year ended December 31, 2019	
	(USD in millions)	(INR in millions)	(USD in millions)	(INR in millions)	(USD in millions)	(INR in millions)
Sources of funds						
Paid up share capital	217.00	16,269.40	244.00	18,293.70	261.00	19,568.27
Reserves and Surplus (excluding revaluation reserves)	14,602.00	1,094,773.27	13,708.00	1,027,746.33	13,265.00	994,532.76
Non-Controlling Interests	530.00	39,736.33	582.00	43,634.98	454.00	34,038.29
Net worth	15,349.00	1,150,779.00	14,534.00	1,089,675.02	13,980.00	1,048,139.32
Non-Current Debt	6,682.00	500,977.60	6,587.00	493,855.06	6,772.00	507,725.28
Other Non-Current Liabilities	4,958.00	371,722.08	4,873.00	365,349.28	5,090.00	381,618.68
Total	26,989.00	2,023,478.68	25,994.00	1,948,879.35	25,842.00	1,937,483.28
Uses of funds						
Net fixed assets	6,229.00	467,014.29	6,740.00	505,326.11	6,224.00	466,639.42
Investments	72.00	5,398.14	87.00	6,522.76	33.00	2,474.15
Net current assets	5,666.00	424,803.82	3,418.00	256,261.82	6,192.00	464,240.25
Other Non-Current Assets	15,022.00	1,126,262.43	15,749.00	1,180,768.68	13,393.00	1,004,129.46
Total miscellaneous expenditure not written off	--	--	--	--	--	--
Total	26,989.00	2,023,478.68	25,994.00	1,948,879.35	25,842.00	1,937,483.28

Other financial data

Particulars	As at and for financial year ended December 31, 2017		As at and for financial year ended December 31, 2018		As at and for financial year ended December 31, 2019	
	(In USD)	(In INR)	(In USD)	(In INR)	(In USD)	(In INR)
Dividend (%)	77%	77%	80%	80%	123%	123%
Earnings/(Loss) per share	1.04	77.97	1.02	76.47	0.67	50.23

Notes: Since the financial statements of PAC 2 are presented in USD, the financial information has been converted to INR for the purpose of convenience. The conversion has been done at the rate USD 1 = INR 74.97 as on May 6, 2020. (Source: www.oanda.com).

4.4.11 According to the latest audited consolidated financial statements of PAC 2 as of and for the financial year ended December 31, 2019, the details of major contingent liabilities of PAC 2 are as below:

(a) In April 2014, the European Commission announced its decision regarding its investigation of anticompetitive practices in the cables industry and granted PAC 2 full immunity from fines under its leniency program. In February 2019, the Brazilian Antitrust Authority announced its decision regarding its investigation of anticompetitive practices in certain power businesses of PAC 2, including flexible alternating current transmission systems and power transformers, and granted PAC 2 full immunity from fines under its leniency program. As a result of an internal investigation, PAC 2 self-reported to the SEC and the DoJ in the United States as well as to the SFO in the United Kingdom concerning certain of its past dealings with Unaoil and its subsidiaries, including alleged improper payments made by these entities to third parties. The SFO has commenced an investigation into this matter. PAC 2 is cooperating fully with the authorities. At this time, it is not possible for PAC 2 to make an informed judgment about the outcome of these matters.

(b) Based on findings during an internal investigation, PAC 2 self-reported to the SEC and the DoJ, to various authorities in South Africa and other countries as well as to certain multilateral financial institutions potential suspect payments and other compliance concerns in connection with some of PAC 2's dealings with Eskom and related persons. Many of those parties have expressed an interest in, or commenced an investigation into, these matters and PAC 2 is cooperating fully with them. Although PAC 2 believes that there may be an unfavorable outcome in one or more of these compliance-related matters, at this time it is not possible for PAC 2 to make an informed judgment about the possible financial impact.

(c) PAC 2 is aware of proceedings, or the threat of proceedings, against it and others in respect of private claims by customers and other third parties with regard to certain actual or alleged anticompetitive practices. Also, PAC 2 is subject to other claims and legal proceedings, as well as investigations carried out by various law enforcement authorities. With respect to the above-mentioned claims, regulatory matters, and any related proceedings, PAC 2 will bear the related costs, including costs necessary to resolve them. At December 31, 2019 and 2018, PAC 2 had aggregate liabilities of USD 157 million and USD 221 million, respectively, included in "other provisions" and "other non-current liabilities", for the above regulatory, compliance and legal contingencies, and none of the individual liabilities recognized was significant. As it is not possible to make an informed judgment on, or reasonably predict, the outcome of certain matters and as it is not possible, based on information currently available to management, to estimate the maximum potential liability on other matters, there could be material adverse outcomes beyond the amounts accrued.

(d) PAC 2 has issued a support letter to a surety institution for the issuance of surety bonds on behalf of its ABB group companies. The amount issued under this letter was CHF 7,26,150 thousand as of December 31, 2019 and CHF 7,37,775 thousand as of December 31, 2018.

(e) With certain ABB group companies, PAC 2 has keep-well agreements. A keep-well agreement is a shareholder agreement between PAC 2 and an ABB group company. These agreements provide for maintenance of a minimum net worth in the ABB group company and the maintenance of 100% direct or indirect ownership by PAC 2. The keep-well agreements additionally provide that if at any time the ABB group company has insufficient liquid assets to meet any payment obligation on its debt and has insufficient unused commitments under its credit facilities with its lenders, PAC 2 will make available to the ABB group company sufficient funds to enable it to fulfill such payment obligation as it falls due. A keep-well agreement is not a guarantee by PAC 2 for payment of the indebtedness, or any other obligation, of an ABB group company. No party external to the ABB group is a party to any keep-well agreement.

(f) PAC 2 has also provided certain guarantees securing the performance of ABB group companies in connection with commercial paper programs, indentures or other debt instruments to enable them to fulfill the payment obligations under such instruments as they fall due. The amount guaranteed under these instruments was CHF 76,05,596 thousand as of December 31, 2019 and CHF 75,67,523 thousand as of December 31, 2018.

(g) Additionally, PAC 2 has provided certain guarantees securing the performance of contracts and undertakings of ABB group companies with third parties entered into in the normal course of business of an aggregate value of approximately CHF 76,966 thousand as per December 31, 2019 and CHF 78,336 thousand as per December 31, 2018.

(h) Furthermore, PAC 2 is the guarantor in ABB group's USD 2 billion multicurrency revolving credit facility ("**Group Facility**"). In December 2019, the Group Facility maturing in 2021 was replaced with a new Group Facility maturing in 2024, with the option in 2020 and 2021 to extend the maturity to 2025 and 2026, respectively. No amounts were outstanding at December 31, 2019 and 2018.

(i) PAC 2 through certain of its direct and indirect subsidiaries is involved in various regulatory and legal matters. There is a remote risk of material adverse outcomes beyond the provisioned amounts.

(j) PAC 2 is part of a value added tax Group and therefore is jointly liable to the Swiss Federal Tax Department for the value added tax liabilities of the other members.

4.4.12 The equity shares of PAC 2 are listed on the SIX Swiss Exchange, the NASDAQ OMX Stockholm Exchange and the New York Stock Exchange (in the form of American depository shares).

4.4.13 The closing market price of the equity shares of PAC 2 on June 05, 2020 is as set out below:

Sr. No.	Stock Exchange	Closing Price per Share
1.	SIX Swiss Exchange	CHF 21.02
2.	NASDAQ OMX Stockholm Exchange	SEK 200.4
3.	New York Stock Exchange	USD 21.62

4.4.14 PAC 2 is in compliance with the Swiss Code of Best Practice for Corporate Governance as well as those of the capital markets where its shares are listed, and to which it is subject.

4.4.15 Maria Varsellona, maria.varsellona@ch.abb.com is the General Counsel of PAC 2.

5. BACKGROUND OF THE TARGET COMPANY

5.1 The Target Company is a public limited company incorporated in Karnataka, India. The Target Company was incorporated in Bengaluru, Karnataka *vide* certificate of incorporation dated February 19, 2019. The name of the Target Company has not undergone any change since its incorporation.

5.2 The Target Company has its registered office at 8th Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru 560092, Tel: +91 80 2204 1800. The Corporate Identity Number (CIN) of the Target Company is U31904KA2019PLC121597.

5.3 The Target Company is primarily engaged in the power grids business, which as of the date of this Draft Letter of Offer consists of four business lines, namely, (i) grid automation, (ii) grid integration, (iii) high voltage products, and (iv) transformers. The Target Company provides product, system, software and service solutions across the power value chain that are designed to meet the growing demand for electricity with minimum environmental impact. The Target Company's portfolio includes a complete range of high-voltage products, transformers, grid automation products, HVDC and power quality products and systems. Its solutions support utility, industry and transport and infrastructure customers to plan, build, operate and maintain their power infrastructure and are designed to facilitate safe, reliable and efficient integration, transmission and distribution of bulk and distributed energy generated from conventional and renewable sources.

5.4 As described in Part 3.1 (*Background to the Offer*) of this Draft Letter of Offer, ABB India Limited (a subsidiary of ABB Asea Brown Boveri Ltd), the Target Company and their respective shareholders and creditors, entered into the Scheme pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, which provided for *inter alia* the demerger of the power grids business of ABB India Limited to the Target Company and the consequent issuance of Equity Shares by the Target Company to the shareholders of ABB India Limited. The Scheme was approved by the Bengaluru Bench of the National Company Law Tribunal on November 27, 2019 and became effective on December 01, 2019.

5.5 Pursuant to the Scheme, the Target Company on December 24, 2019 allotted 4,23,81,675 fully paid up equity shares of INR 2 each to the shareholders of the Transferor as on the record date, i.e. December 23, 2019, in accordance with the Share Exchange Ratio as described in Part 3.1 (*Background to the Offer*) of this Draft Letter of Offer, which includes 9,266 fully paid up equity shares of INR 2 each issued to the APPSIL Fractional Shares Trust 2019, pursuant to consolidation of the fractional entitlements arising on account of the Share Exchange Ratio, which were credited to the demat account of the APPSIL Fractional Shares Trust 2019 on February 24, 2020.

5.6 The Equity Shares of the Target Company are listed on the BSE (Security ID: POWERINDIA, Security Code: 543187) and NSE (Symbol: POWERINDIA). The ISIN of the Target Company is INE07Y701011. The trading of the Equity Shares of the Target Company is not currently suspended from any of the Stock Exchanges.

5.7 The Target Company received listing and trading approval from the Stock Exchanges on March 25, 2020. The Equity Shares of the Target Company commenced trading on the Stock Exchanges from trading hours on March 30, 2020.

5.8 As of the date of this Draft Letter of Offer, the authorized share capital of the Target Company is INR 10,00,00,000 divided into 5,00,00,000 Equity Shares of INR 2 each.

5.9 As of the date of this Draft Letter of Offer, the subscribed and fully paid-up equity share capital of the Target Company is INR 8,47,63,350 comprising 4,23,81,675 fully paid-up Equity Shares.

5.10 As of the date of this Draft Letter of Offer, there are no (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (including warrants, fully convertible securities, partly convertible securities and employee stock options) issued by the Target Company.

5.11 As of the date of this Draft Letter of Offer, the Voting Share Capital is as follows:

Particulars	Number of Equity Shares	% of Voting Share Capital
Fully paid up Equity Shares	4,23,81,675	100.00
Partly paid up Equity Shares	Nil	Nil
Total paid up Equity Shares	4,23,81,675	100.00
Voting Share Capital	**4,23,81,675**	**100.00**

5.12 The Target Company has no Equity Shares that are locked-in as of the date of this Draft Letter of Offer.

5.13 The Board of Directors, as of the date of this Draft Letter of Offer, is comprised as under:

Sr. No.	Name of Director and Designation	D.I.N	Experience & Qualifications	Date of Appointment
1.	Mr. Frank Duggan (nominee of the ABB group) Chairman and Non-Executive Director	02937233	Mr. Frank Duggan holds a bachelor's degree in electrical engineering from Dublin Institute of Technology. He is the president of Europe region of ABB Ltd since 2017. He joined ABB Ltd in 1984 and has held various positions in various ABB businesses in Europe, Asia and the Gulf.	December 24, 2019
2.	Mr. Venu Nuguri (nominee of the ABB group) Managing Director	07032076	Mr. Venu Nuguri holds a bachelor's degree in electrical engineering from National Institute of Technology, Warangal, and has attended management courses at the Indian Institute of Management, Ahmedabad, Indian School of Business, Hyderabad and International Institute of Management Development, Switzerland. He was previously the senior group vice president of the power grids business – South Asia, Middle East and Africa. He was the president of the power systems department of INABB and was also a part of the group's global power systems leadership team. He is presently the head of the power grids business for South Asia region.	December 02, 2019

Sr. No.	Name of Director and Designation	D.I.N	Experience & Qualifications	Date of Appointment
3.	Mr. Sanjeev Sharma (nominee of the ABB group) Non-Executive Director	07362344	Mr. Sanjeev Sharma has pursued management programs from IMD Switzerland and INSEAD Singapore. He is the managing director of ABB India Limited and the chairman and managing director of ABB Global Industries and Services Private Limited. He has managed various local business units and divisions in India, Switzerland, Germany and Malaysia. He is also a director on the board of ABB Substations Contracting India Private Limited, ABB Global Industries and Services Private Limited and Swedish Chamber Of Commerce India.	February 19, 2019
4.	Mr. Mukesh Butani Independent Director	01452839	Mr. Mukesh Butani holds a bachelor's degree in commerce from Mumbai University. He is a certified chartered accountant from the Indian Institute of Chartered Accountants. He founded BMR Legal Advocates, a tax law firm in India.	December 24, 2019
5.	Ms. Akila Krishnakumar Independent Director	06629992	Ms. Akila Krishnakumar is an alumnus of Birla Institute of Technology and Sciences. She was previously the president – global technology and country head of SunGard, which was acquired by Fidelity National Information Services, Inc.	December 24, 2019
6.	Ms. Nishi Vasudeva Independent Director	03016991	Ms. Nishi Vasudeva holds a bachelor's degree in economics from Delhi University and is an alumnus of Indian Institute of Management, Calcutta. She was the chairman and managing director of Hindustan Petroleum Corporation Limited till March 2016.	December 24, 2019

5.14 The Target Company was incorporated on February 19, 2019 and hence, there are no financial statements related to the Target Company for the financial years ended December 31, 2017 and December 31, 2018. For the purpose of this Draft Letter of Offer, financials extracted from the audited financial statements of the Target Company for the period ended December 31, 2019 is summarized below The financial information of the Target Company as derived from its audited financial statements as at December 31, 2019, and reviewed and certified by an independent statutory auditor, are as follows:

Profit & Loss Statement

Particulars	As at and for financial year ended December 31, 2019 (In INR)
Income from operations	3230.74 crores
Other Income	0.47 crores
Total Income	3231.21 crores
Total Expenditure(including exceptional item of 40.79)	2935.77 crores
Profit Before Depreciation Interest and Tax	295.44crores
Depreciation	48.41 crores
Interest	26.38 crores
Profit Before Tax	220.65 crores
Provision for Tax	55.26 crores
Profit After Tax	165.39 crores
Other comprehensive income for the period, net of income tax	0.50 crores
Total comprehensive income for the period, net of income tax	165.89 crores

Balance Sheet Statement

Particulars	As at and for financial year ended December 31, 2019 (In INR)
Sources of funds	
Paid up share capital	8.48 crores
Reserves and Surplus (excluding revaluation reserves)	831.34 crores
Net worth	839.82 crores
Secured loans	Nil
Unsecured loans	347.62 crores
Total	1187.44 crores
Uses of funds	
Net fixed assets (Fixed assets + Non current assets – non current liability)	649.70 crores
Investments	Nil
Net current assets	537.74 crores
Total	1187.44 crores

5.15 Other financial data

Particulars	As at and for financial year ended December 31, 2019
Dividend (in INR)	N.A.

Particulars	As at and for financial year ended December 31, 2019
Earnings per share (in INR)	44.69
Return on Net Worth (%)	19.70%
Book Value per share (in INR)	198

5.16 The shareholding pattern of the Target Company as on the date of this Draft Letter of Offer, before and after this Offer assuming full acceptances, based on the shareholding data as of March 31, 2020 is as follows:

Shareholder's Category	Shareholding and voting rights prior to the agreement/ acquisition and Offer		Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/ voting rights to be acquired in open offer (assuming full acceptances)		Shareholding/ voting rights after the acquisition and Offer	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to agreement, if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Promoters other than (a) above	3,17,86,256	75%	Nil	Nil	Nil	Nil	Nil	Nil
Total 1 (a+b)	**3,17,86,256**	**75%**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
(2) Acquirers and PACs								
a. Acquirer 1	Nil	Nil	Nil	Nil	1,05,95,419*	25%	1,05,95,419	25%
b. Acquirer 2	Nil	Nil	Nil@	Nil	Nil	Nil	Nil@	Nil
c. PAC 1	Nil	Nil	Nil	Nil	Nil	Nil	3,17,86,256#	75%
d. PAC 2	Nil+	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 2 (a+b+c+d)	**Nil**	**Nil**	**Nil**	**Nil**	**1,05,95,419**	**25%**	**4,23,81,675**	**100%**
(3) Parties to agreement other than (1) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(4) Public (other than parties to agreement, Acquirers, & PACs)								
a. FIs/ MFs/ Banks/ SFIs (indicate names)	63,56,871	15%	Nil	Nil	Nil	Nil	Nil	Nil
b. Others (Indicate the total number of	42,38,548	10%	Nil	Nil	Nil	Nil	Nil	Nil

Shareholder's Category	Shareholding and voting rights prior to the agreement/ acquisition and Offer		Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/ voting rights to be acquired in open offer (assuming full acceptances)		Shareholding/ voting rights after the acquisition and Offer	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
shareholders in the 'public' category								
Total (4) (a+b)	**1,05,95,419**	**25%**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
GRAND TOTAL (1+2+3+4)	**4,23,81,675**	**100%**	**Nil**	**Nil**	**1,05,95,419**	**25%**	**4,23,81,675**	**100%**

** Assuming full acceptance of the offer of 1,05,95,419 Equity Shares, Acquirer 1 will directly hold 1,05,95,419 Equity Shares representing 25% of the Voting Share Capital. If the number of Equity Shares acquired by Acquirer 1 in the Offer, results in a breach of the maximum permissible non-public shareholding, Acquirer 1 shall reduce its shareholding in compliance with, and within the time periods prescribed in, the SEBI (SAST) Regulations.*

@ Pursuant to the completion of the Underlying Transaction, Acquirer 2 will acquire indirect control over the Target Company on and from Closing and subsequently, by virtue of its shareholding in PAC 1, indirectly acquire approximately 75% of the Equity Shares of the Target Company.

 # Pursuant to the completion of the Underlying Transaction, PAC 1 will hold 3,17,86,256 Equity Shares of the Target Company constituting 75.00% of the Voting Share Capital.

+ As on the date of this Draft Letter of Offer, PAC 2 does not directly hold any Equity Shares in the Target Company. PAC 2 presently holds 100% of the equity share capital of ABB Asea Brown Boveri Ltd, which in turn holds 75% of the Equity Shares of the Target Company.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 This Offer is made in accordance with provisions of Regulations 3(1), 4, and 5(1) of the SEBI (SAST) Regulations. This Offer is triggered pursuant to an indirect acquisition of the Equity Shares, voting rights and control of the Target Company by Acquirer 2. The thresholds specified under Regulation 5(2) of the SEBI (SAST) Regulations are not met.

6.1.2 This Offer is being made by Acquirer 1 along with Acquirer 2, and with PAC 1 and PAC 2 acting in their capacity as persons acting in concert with the Acquirers for the acquisition of the Offer Shares from all the Public Shareholders of the Target Company at the Offer Price, aggregating to the Maximum Open Offer Consideration.

6.1.3 This Offer is being made at a price of INR 865.92 per Offer Share i.e., the Offer Price, comprising an offer price of INR 851 per Offer Share, calculated in accordance with Regulation 8(4) of the SEBI (SAST) Regulations plus interest of INR 14.92 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 June 02, 2020, being the date of publication of the Detailed Public Statement, in terms of Regulation 8(12) of the SEBI (SAST) Regulations.

6.1.4 The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations and the terms and conditions mentioned in the Public Announcement and the Detailed Public Statement, as well as the Letter of Offer to be issued in accordance with the SEBI (SAST) Regulations.

6.1.5 The Equity Shares of the Target Company are listed on the Stock Exchanges. The Target Company received listing and trading approval from the Stock Exchanges on March 25, 2020. The Equity Shares of the Target Company commenced trading on the Stock Exchanges from trading hours on March 30, 2020 and as such, there was no trading history in the equity shares of the Target Company before the release of the Public Announcement.

6.1.6 The minimum offer price is calculated in terms of Regulation 8(4) and Regulation 8(12) of the SEBI (SAST) Regulations taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies. For this purpose, valuation reports from two independent agencies were obtained which is stated below:

S. No.	Details	Price in INR (per share)
(a)	The highest negotiated price per Equity Share, if any, of the Target Company for any acquisition under the agreement attracting the obligation to make the Public Announcement of the Offer	NA
(b)	The volume-weighted average price paid or payable for any acquisition, whether by the Acquirers/ PACs, during the 52 weeks immediately preceding the earlier of, the date on which the Underlying Transaction is contracted, and the date on which the intention or the decision to make the Underlying Transaction is announced in the public domain	NA
(c)	The highest price paid or payable for any acquisition, whether by the Acquirers/ PACs, during the 26 weeks immediately preceding the earlier of, the date on which the Underlying Transaction is contracted, and the date on which the intention or the decision to make the Underlying Transaction is announced in the public domain	NA
(d)	The highest price paid or payable for any acquisition, whether by the Acquirers/ PACs, between the earlier of, the date on which the Underlying Transaction is contracted, and the date on which the intention or the decision to make the Underlying Transaction is announced in the public domain, and the date of the Public Announcement of the Offer for Equity Shares of the Target Company made under the SEBI (SAST) Regulations	NA
(e)	The volume-weighted average market price of the Equity Shares for a period of 60 trading days immediately preceding the earlier of, the date on which the Underlying Transaction is contracted, and the date on which the intention or the decision to make the Underlying Transaction is announced in the public domain, as	NA

S. No.	Details	Price in INR (per share)
	traded on the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period, provided such Equity Shares are frequently traded	
(f)	The price per Equity Share of the Target Company (as on valuation date of March 23, 2020), determined taking into consideration the valuation reports dated March 24, 2020 issued by Bansi S. Mehta & Co.* and Ernst & Young Merchant Banking Services LLP#	851
(g)	Price at (f) above, after including the 10% interest	865.92
(h)	The per Equity Share value computed under Regulation 8(5) of the SEBI (SAST) Regulations	NA

* *Bansi S. Mehta & Co., Chartered Accountants, (Firm Registration Number: 100991W) has undertaken an independent valuation exercise and issued a valuation report dated March 24, 2020 under the provisions of Regulation 8(4) of the SEBI (SAST) Regulations. They have arrived at a fair value of INR 851 per Equity Share of the Target Company.*

\# *Ernst & Young Merchant Banking Services LLP, Category I Merchant Banker, (Registration Number: INM000010700) has undertaken an independent valuation exercise and issued a valuation report dated March 24, 2020 under the provisions of Regulation 8(4) of the SEBI (SAST) Regulations. They have arrived at a fair value of INR 847.1 per Equity Share of the Target Company.*

The price per Equity Share set out in the table above at (f) is the higher of the two valuation reports.

6.1.7 The price of the Equity Shares as mentioned above has been determined by the Acquirers and the PACs together with the Manager in accordance with the provisions of Regulation 8(4) of the SEBI (SAST) Regulations (as it is incapable of being determined in accordance with any of the parameters in Regulation 8(3) of the SEBI (SAST) Regulations) taking into account, the higher of the price per Equity Share determined in accordance with the valuation reports.

6.1.8 In terms of Regulation 8(12) of the SEBI (SAST) Regulations, the offer price 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 (being the date of making the Public Announcement) to June 02, 2020 (the date of the Detailed Public Statement), which works out to INR 14.92 per Offer Share.

6.1.9 The Offer Price thus amounts to INR 865.92 after considering the offer price of INR 851, plus interest of INR 14.92, per Offer Share. Therefore, the Offer Price per Offer Share has been determined in accordance with the terms of Regulations 8(4), and 8(12) of the SEBI (SAST) Regulations.

6.1.10 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters, under Regulation 8(9) of the SEBI (SAST) Regulations.

6.1.11 In the case of the acquisition of the Equity Shares by the Acquirers and/or the PACs during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirers and/or the PACs shall not acquire any Equity Shares after the 3rd Working Day prior to the commencement of the Tendering Period of this Offer and until the expiry of the Tendering Period of this Offer.

6.1.12 The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer 1 at any time prior to 1 Working Day before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, (i) Acquirer 1 is required to make corresponding increases to the amount kept in the Escrow Account - Cash; (ii) the Acquirers and the PACs are required to make a public announcement in the newspapers where the Detailed Public Statement is published; and (iii) the Acquirers and the PACs are required to simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

6.2 Financial Arrangements

6.2.1 The total funding requirement for the Offer, assuming full acceptance, i.e. for the acquisition of 1,05,95,419 Offer Shares, at the Offer Price of INR 865.92 per Offer Share, is the Maximum Open Offer Consideration, i.e. INR 9,17,47,85,220.48.

6.2.2 The Acquirers and the PACs have adequate resources to meet the financial requirements of this Offer and by way of security for performance of its obligations under the SEBI (SAST) Regulations. Acquirer 1 has created the Escrow Account – Cash with the Escrow Bank and has deposited a sum of INR 1,66,74,80,264 in the said Escrow Account – Cash being in compliance with Regulation 17 of the SEBI (SAST) Regulations.

6.2.3 In case of any upward revision in the Offer Price or the Offer Size, the value in cash of the escrow amount shall be computed on the revised consideration calculated at such revised Offer Price or Offer Size, and any additional amounts required, shall be funded by Acquirer 1 in the Escrow Account – Cash, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

6.2.4 The source of the funds for the Offer is cash.

6.2.5 K.J. Sheth & Associates, chartered accountants, have, according to their certificate dated May 27, 2020, certified that the Acquirer 1 has adequate financial resources through verifiable means to fulfill its payment obligations under this Offer.

6.2.6 The Manager has entered into an agreement dated May 26, 2020 with the Acquirer 1 and the Escrow Bank, i.e., the Escrow Agreement pursuant to which the Acquirer 1 has solely authorized the Manager to realize the value of the Escrow Account – Cash and to operate the special escrow account which shall be opened as per the provisions of the SEBI (SAST) Regulations.

6.2.7 The amount deposited in the Escrow Account – Cash is in excess of a sum total of (i) 25% of INR 500,00,00,000 out of the Maximum Open Offer Consideration; and (ii) 10% of the balance of the Maximum Open Offer Consideration, as required under Regulation 17(1) of the SEBI (SAST) Regulations.

6.2.8 Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirers and the PACs to fulfill their obligations in relation to this Offer, through verifiable means, in accordance with the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational Terms and Conditions

7.1.1 This Offer is being made by the Acquirers and the PACs to (i) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (ii) the Beneficial Owners; (iii) those Public Shareholders who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer i.e. July 29, 2020, but who are not the registered Public Shareholders.

7.1.2 In terms of the schedule of activities, the Tendering Period for the Offer shall commence on July 16, 2020 and close on July 29, 2020.

7.1.3 The Equity Shares tendered under this Offer shall be fully paid-up, free from all pledges, liens, charges, equitable interests, non-disposal undertakings and any other form of encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis. The Acquirers and/ or the PACs shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

7.1.4 This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.

7.1.5 This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

7.1.6 The Identified Date for this Offer as per the tentative schedule of activities is July 02, 2020.

7.1.7 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

7.2 Eligibility for accepting the Offer

7.2.1 The Letter of Offer specifying the detailed terms and conditions of this Offer, along with the Form of Acceptance-cum-Acknowledgement, will be sent to all the Public Shareholders, whose names appear on the register of members of the Target Company, at the close of business hours on July 02, 2020 i.e. the Identified Date, being registered equity Public Shareholders as per the records of NSDL and CSDL, and registered Public Shareholders holding Equity Shares in physical form as per the records of the Target Company, as on the Identified Date. Accidental omission to dispatch the Letter of Offer to any person to whom the Offer is made or the non- receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the individual Letter of Offer would be dispatched to each of the Public Shareholders of the Target Company is July 09, 2020.

7.2.2 All shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer.

7.2.3 The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer, the Letter of Offer and the Form of Acceptance-cum-Acknowledgement will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgement from SEBI's website.

7.2.4 In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Public Shareholder, then the Manager, the Acquirers and the PACs shall reject the acceptance of this Offer by such Public Shareholder.

7.2.5 The acceptance of this Offer by Public Shareholders must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

7.2.6 The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.

7.2.7 By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirers or the PACs for the purpose of this Offer.

7.2.8 None of the Acquirers, the PACs, the Manager or the Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer acceptance forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

7.2.9 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirers and the PACs in consultation with the Manager.

7.2.10 The Acquirers and the PACs reserve the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 1 Working Day prior to the commencement of the Tendering Period, i.e., up to July 14, 2020, in accordance with the SEBI (SAST) Regulations. In the event of such revision, (i) Acquirer 1 shall make corresponding increases to the amount kept in the Escrow Account – Cash under Regulation 17 of the SEBI (SAST) Regulations; (ii) the Acquirers and the PACs shall make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, the Acquirers and the PACs shall inform the SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.

7.2.11 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.

7.2.12 The Target Company does not have any Equity Shares that are currently locked-in.

7.2.13 The Manager to the Offer shall submit a final report to SEBI within 15 Working Days from the Closure of the Tendering Period in accordance with Regulation 27(7) of the SEBI (SAST) Regulations confirming the status of completion of various Offer requirements.

7.3 Statutory and Other Approvals

7.3.1 Other than as specified in paragraph 3.2.12 of Part 3.2 (*Details of the Proposed Offer*) of this Draft Letter of Offer and this Part 7.3 (*Statutory and Other Approvals*) of this Draft Letter of Offer, 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 this Draft 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.

7.3.2 As on the date of this Draft Letter of Offer, Closing of the Underlying Transaction under the SPA is subject to satisfaction of the Closing Conditions as set out in paragraph 3.1.6 of Part 3.1 (*Background to the Offer*) of this Draft Letter of Offer. If the Closing Conditions specified in the SPA are not met, for reasons outside the reasonable control of the Acquirers and/or the PACs, and the SPA is rescinded, the Acquirers and the PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.

7.3.3 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.

7.3.4 Where any statutory or other approval extends to some but not all of the Public Shareholders, Acquirer 1 shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.

7.3.5 In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers and/or the PACs to diligently pursue such approval, grant an extension of time for the purpose of completion of this Open Offer subject to such terms and conditions as may be specified by SEBI, including payment of interest at such rate as may be prescribed by SEBI from time to time in accordance with Regulation 18(11) of the SEBI (SAST) Regulations.

7.3.6 In the event that any Closing Condition is not satisfied for reasons outside the reasonable control of the Acquirers and/or the PACs, the Acquirers and the PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the Detailed Public Statement is published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

8.1 Acquirer 1, being a person resident outside India, is not permitted to acquire the Offer Shares on the floors of the Stock Exchanges in India, as per applicable Indian foreign exchange control regulations. The Offer will, therefore, be implemented by the Acquirers and the PACs, subject to applicable laws, in accordance with the 'tender offer method' prescribed by SEBI, in accordance with SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, as amended by SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time.

8.2 This Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Public Shareholders, whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective Depositories as of the close of business on July 02, 2020, i.e. the Identified Date.

8.3 Public Shareholders who wish to accept the Offer and tender their Equity Shares will have to deliver, either by hand delivery or by registered post or courier, the Form of Acceptance-cum-Acknowledgment duly signed along with all the relevant documents at the below address of the Registrar to the Offer, during the working hours, on or before the date of closure of the Tendering Period, in accordance with the procedure as set out in this Letter of Offer.

8.4 A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between Acquirer 1 and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.

8.5 The Offer is made to the Public Shareholders as defined in this Draft Letter of Offer. While the Letter of Offer shall be dispatched to the Public Shareholders of the Target Company whose name appears in the register of members of the Target Company as of the Identified Date, all Public Shareholders holding Equity Shares in dematerialised form are eligible to participate in the Offer at any time during the Tendering Period.

8.6 Public Shareholders who wish to accept the Offer and tender their Equity Shares can send/deliver the Form of Acceptance-cum-Acknowledgment duly signed along with all the relevant documents (envelope should be super-scribed "ABB Power Products And Systems India Limited - Open Offer ") at any of the collection centers of the Registrar to the Offer mentioned below during the working hours on or before the date of closure of the Tendering Period in accordance with the procedure as set out in the Letter of Offer. All Public Shareholders holding Equity Shares in dematerialized form, whether registered or unregistered are eligible to participate in the Offer any time before closure of the Tendering Period:

No	City	Contact person	Address	Tel. No.	Fax No.	E-mail id	Mode of delivery
1	Mumbai	Sumeet Deshpande	Link Intime India Pvt Limited, C- 101, 247 park, 1st floor, L.B.S. Marg, Vikhroli west, Mumbai – 400083	022-49186200	022-49186195	appsil.offer@linkintime.co.in	Hand Delivery / Courier / Registered Post
2	Kolkata	Kuntal Mustafi	Link Intime India Pvt Limited, Room Nos. 502 & 503 , 5th Floor , Vaishno Chamber , 6 Brabourne Road , Kolkata - West Bengal -700001	033-40049728	-	appsil.offer@linkintime.co.in	Hand Delivery

3	New Delhi	V.M. Joshi /Bharat	Link Intime India Pvt Limited, Noble Heights , 1st Floor,Plot NH2,C-1 Block LSC ,Near Savitri Market , Janakpuri , New Delhi -110058	011-41410592/93/94	-	appsil.offer@linkintime.co.in	Hand Delivery
4	Bangalore	Nagendra D. Rao	Link Intime India Pvt Limited, No. 543/A, 7th Main, 3rd Cross, S.L. Bhyrappa Road, Hanumanthanagar, Bangalore - 560 019	080 - 2650 9004	-	appsil.offer@linkintime.co.in	Hand Delivery

Note: For hand delivery, the collection centres timings will be all working days anytime from Monday to Friday, between 10 a.m. to 1 p.m. and 2 p.m. to 5 p.m., except Saturdays, Sundays and public holidays.

8.7 Equity Shares should not be submitted/ tendered to the Manager, Acquirer 1 or the Target Company.

8.8 Applicants who cannot hand deliver their documents at the collection centre referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address M/s. Link Intime India Private Limited, Unit – ABB Power Products and Systems India Limited – Open Offer, (Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, India; Telephone number:+91 22 49186200; Fax number: +91 22 49186195; Email: appsil.offer@linkintime.co.in; and Contact Person: Mr. Sumeet Deshpande) on or before the last date of the Tendering Period.

8.9 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 below and in the Letter of Offer. In the alternate, such holders of the Equity Shares may apply in the form of acceptance-cum-acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (http://www.sebi.gov.in/) or from the Registrar to the Offer's website (http://www.linkintime.co.in). The application is to be sent to the Registrar to the Offer at the address that shall be mentioned in the Letter of Offer, so as to reach the Registrar to the Offer during business hours on or before 5 p.m. on the date of closure of the tendering period of this Offer, together with the DP name, DP ID, account number together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares to the special depository account ("**Escrow Demat Account**"), as per the details given below:

Name of the DP	Ventura Securities Limited
DP ID	IN303116
Client ID	13089565

Account Name	LIIPL APPSIL OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	NSDL
Mode of Instruction	Off-market
ISIN	Off market

Note*: 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.*

8.10 Procedure to be followed by the Public Shareholders holding the Equity Shares in the physical form:

8.10.1 As per the proviso to Regulation 40(1) of the SEBI LODR Regulations read with notice no. 20190424-35 issued by the BSE dated April 24, 2019, and circular no. 51/2019 issued by the NSE dated May 9, 2019, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

8.10.2 Accordingly, the Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Offer can do so only after the Equity Shares are dematerialized. Such Public Shareholders are advised to approach the concerned DP to have their Equity Shares dematerialized.

8.11 Documents to be delivered by all Public Shareholders holding equity shares in the Dematerialised Form:

8.11.1 Form of Acceptance-cum-Acknowledgement 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.

8.11.2 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.

8.12 Please note that 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 above Escrow Demat Account or for Equity Shares that are credited in the above 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.

8.13 Non-resident Public Shareholders should, in addition to the above, enclose copy(ies) of any permission(s) received from the RBI or any other regulatory authority to acquire Equity Shares held by them in the Target Company. Erstwhile OCBs are requested to seek a specific approval of the RBI for tendering their Equity Shares in the Offer and a copy of such approval must be provided along with other requisite documents in the event that any Public Shareholder who is an erstwhile OCB tenders its Equity Shares in the Open Offer.

In case the above approvals from the RBI are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered.

8.14 Public Shareholders who have sent the Equity Shares held by them for dematerialisation need to ensure that the process of dematerialisation 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.

8.15 Equity Shares that are subject to any charge, lien or any other form of encumbrance are liable to be rejected in the Offer.

8.16 Applications in respect of Equity Shares that are the subject matter of litigation wherein the Public Shareholders of the Target Company may be prohibited from transferring such Equity Shares during the pendency of the said litigation are liable to be rejected if the directions/orders regarding such Equity Shares are not received together with the Equity Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

8.17 The Public Shareholders should also provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

8.17.1 Duly attested death certificate and succession certificate/probate/letter of administration (in case of single Public Shareholder) if the original Public Shareholder has expired;

8.17.2 Duly attested power of attorney if any person apart from the Public Shareholder has signed the acceptance form and/or transfer deed(s);

8.17.3 No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;

8.17.4 In case of companies, the necessary corporate authorisation (including certified copy of board and/or general meeting resolution(s)); and

8.17.5 Any other relevant documents.

8.17.6 The Acquirers and PACs intend to complete all formalities, including the payment of consideration to the Public Shareholders of the Target Company whose shares have been accepted in the Offer, within a period of 10 Working Days from the closure of the Tendering Period, and for this purpose, open a special account as provided under Regulation 21(1) of the SEBI (SAST) Regulations. However, in case of delay in receipt of any statutory approval(s), SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure or neglect on part of the Acquirers/ PACs to diligently pursue such approval, and subject to such terms and conditions as specified by SEBI (including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations), grant an extension of time to the Acquirers/ PACs pending receipt of such statutory approval(s) to make payment of consideration to the Public Shareholders of the Target Company whose shares have been accepted in the Offer.

8.18 The unaccepted documents in relation to transfer of Equity Shares, if any, would be returned by registered post or by ordinary post or courier at the Public Shareholders' sole risk. Unaccepted Equity Shares held in dematerialised form will be credited back to the Beneficial Owners' depository account with the respective DP as per details received from their DP. It will be the responsibility of the Public Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. Public Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. Public Shareholders should ensure that their DP account is maintained till all formalities pertaining to the Offer are completed.

8.19 The Registrar to the Offer will hold in trust the Form of Acceptance, Equity Shares, and/or other documents on behalf of the Public Shareholders of the Target Company who have accepted the Offer, until the warrants/cheques/drafts for the consideration are dispatched and unaccepted share certificate/Equity Shares, if any, are dispatched/returned to the relevant Public Shareholders.

8.20 Payment to those Public Shareholders whose tendered Equity Shares are found valid and in order and are approved by Acquirer 1, will be done by obtaining the bank account details from the beneficiary position download to be provided by the Depositories and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgment. The decision regarding (i) the acquisition (in part or full), of the Equity Shares tendered pursuant to the Offer, or (ii) rejection of the Equity Shares tendered pursuant to the Offer along with any corresponding payment for the acquired Equity Shares will be dispatched to the Public Shareholders by registered post or by ordinary post or courier as the case may be, at the Public Shareholder's sole risk. Equity Shares held in dematerialised form to the extent not acquired will be credited back to the respective beneficiary account with their respective DP as per the details furnished by the Beneficial Owners in the Form of Acceptance-cum-Acknowledgment.

8.21 For Public Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through DC/NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post or by ordinary post or courier at the Public Shareholder's sole risk.

8.22 All cheques/demand drafts/pay orders will be drawn in the name of the first holder, in case of joint holder(s).

8.23 In case of rejection of Equity Shares tendered for any reason, the documents, if any, will be returned by registered post or ordinary post or courier at the Public Shareholder's sole risk as per the details provided in the Form of Acceptance-cum-Acknowledgement. Equity Shares held in dematerialised form, to the extent not accepted, will be returned to the Beneficial Owner to the credit of the Beneficial Owner's DP account with the respective DP as per the details furnished by the Beneficial Owner(s) in the Form of Acceptance-cum-Acknowledgement.

8.24 A copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment) is expected to be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

9. NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS PART 9 (*NOTE ON TAXATION*) OF THIS DRAFT LETTER OF OFFER ARE BASED ON THE CURRENT PROVISIONS OF THE IT ACT AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED

BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT OUR UNDERSTANDING OF THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE PUBLIC SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, PUBLIC SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED BY WAY OF AN OFF-MARKET TRANSACTION (i.e. NOT THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY STOCK EXCHANGES, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 09, 2016 AND BSE NOTICE NO. 20170202-34 DATED FEBRUARY 02, 2017, IN EACH CASE AS AMENDED FROM TIME TO TIME).

THE ACQUIRERS AND THE PACS DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, THE PUBLIC SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN THE OPEN OFFER, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

9.1 General

9.1.1 The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 01 until March 31.

9.1.2 A person who is an Indian tax resident is typically liable to income-tax in India on such person's worldwide income, subject to certain tax exemptions, which are provided under the IT Act.

9.1.3 A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) and on income received or deemed to be received by such person in India. In case of shares of a company, the source of income from sale of shares depends on the "situs" of such shares. Based upon the judicial pronouncements, the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

9.1.4 Since the Target Company is incorporated in India and its shares (being in dematerialized form) can be transferred only in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.

9.1.5 Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("**DTAA**") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions as prescribed under the relevant DTAA read with Multilateral Instrument as may be in effect, and non-applicability of General Anti-Avoidance Rule ("**GAAR**") and providing and maintaining necessary information and documents as prescribed under the IT Act.

9.1.6 The IT Act also provides for different income-tax regimes / rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder, nature of the income earned and mode of acquisition etc.

9.1.7 Based on the provisions of the IT Act, the Public Shareholders would be required to electronically file an annual income-tax return within due date, as may be applicable to different category of persons, with the Indian income-tax authorities, reporting their income for the relevant year.

9.1.8 The summary of income-tax implications on tendering of listed equity shares is set out below. Securities transaction tax ("**STT**") will not be applicable to the listed Equity Shares accepted in this Offer. All references to equity shares herein refer to listed equity shares unless stated otherwise.

9.2 Classification of shareholders:

The Public Shareholders can be broadly classified under the following categories:

(a) Resident shareholders being:

(i) Individuals, Hindu Undivided Family ("**HUF**"), Association of Persons ("**AOP**"), and Body of Individuals ("**BOI**")

(ii) Others such as company, firm etc.

(b) Non-resident shareholders being:

(i) NRIs

(ii) FPIs / erstwhile Foreign Institutional Investors ("**FIIs**")

(iii) Others

(A) Company

(B) Other than company

9.3 Classification of Income:

Shares can be classified under the following two categories:

(a) Shares held as investment (Income from transfer taxable under the head "**Capital Gains**");

(b) Shares held as stock-in-trade (Income from transfer taxable under the head "**Profits and Gains from Business or Profession**").

Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for income-tax purposes, depending upon whether such shares were held as a capital asset or as stock-in-trade.

9.4 Income from Sale of shares classified as Investment:

9.4.1 As per the provisions of the IT Act, where the shares are held as investments (i.e. capital asset), income arising from the transfer of such shares is taxable under the head "Capital Gains". Additionally, securities held by FIIs/ FPIs are treated as capital assets under Section 2(14) of the IT Act (whether or not such asset is being held as a capital asset). Therefore, gains arising out of securities held by FPIs will be taxable in India as capital gains. Capital Gains in the hands of shareholders is computed as per provisions of Section 48 of the IT Act.

9.4.2 <u>Period of holding</u>

Depending on the period for which the shares are held, the gain is taxable as "short-term capital gain" or "long-term capital gain":

(a) In respect of listed equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same should be treated as a "short-term capital asset", and accordingly the gains arising therefrom should be taxable as "short term capital gains" ("**STCG**").

(b) Similarly, where listed equity shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a "long-term capital asset", and accordingly the gains arising therefrom should be taxable as "long-term capital gains" ("**LTCG**").

(c) Further, period of holding of Target Company shares received pursuant to the demerger of the power grids business from ABB India Limited to the Target Company shall also include the period for which the shareholders held shares in ABB India Limited.

9.4.3 <u>Cost of acquisition ("**COA**")</u>

In relation to shares of the Target Company received pursuant to demerger of the power grids business from ABB India Limited, the COA of such shares in the hands of shareholders should be split in accordance with Section 49(2C) and Section 49(2D) of the IT Act as under:

(a) COA of the Target Company shares = COA of ABB India Limited shares x Net book value of assets of power grids business transferred / Net worth of the ABB India Limited immediately before demerger.

(b) New COA of ABB India Limited shares = Original COA of ABB India Limited shares less COA of Target Company shares (received pursuant to demerger).

The proportionate cost split post demerger has been derived as under:

% Cost of shares of Target Company	21.81%

% Cost of shares of ABB India Limited	78.19%

9.4.4 The Finance Act, 2018 ("**Finance Act**"), vide Section 112A, has imposed an income tax on long term capital gains exceeding one lakh rupees at the rate of 10% on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 12 months and have been subject to **STT** upon both acquisition and sale. However, since STT will not be applicable to the Equity Shares transferred pursuant to this Offer, the provisions of Section 112A of the IT Act shall not be applicable.

9.4.5 Where LTCG arising from tendering of Equity Shares in the Offer does not fall under the provisions of Section 112A of the IT Act, such LTCG shall be subject to tax as follows:

(a) LTCG will be chargeable to tax at the rate of up to 20% (plus applicable surcharge and cess) in the case of a non-resident shareholder (other than an FPI/FII, or an NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.

(b) In the case of FIIs/ FPIs, LTCG would be taxable at 10% (plus applicable surcharge and cess) in accordance with provisions of section 115AD of the IT Act.

(c) For an NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and cess) under Section 115E of the IT Act.

(d) For a resident shareholder, LTCG is payable at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and cess) without indexation.

9.4.6 Section 111A of the IT Act provides for taxation of STCG arising on sale of listed shares at the rate of 15% (plus applicable surcharge and cess) provided STT is paid on the transaction. However, since STT will not be applicable to the Equity Shares transferred in this Offer, the provisions of Section 111A of the IT Act shall not be applicable. Accordingly, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax and shall be leviable to tax at the rates prescribed in First Schedule to the Finance Act (i.e. normal tax rates applicable to different categories of persons). In case of FIIs/ FPIs, STCG would be taxable at the rate of 30% (plus applicable surcharge and cess).

9.4.7 Minimum alternate tax ("**MAT**") implications may get triggered for certain companies' resident in India and should be assessed by each of such shareholder. Foreign companies will not be subject to MAT if the country of residence of such foreign company has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA. Likewise, for non-company shareholders, applicability of the provisions of Alternate Minimum Tax will also have to be analysed depending upon the facts of each case.

9.4.8 Taxability of capital gains arising to a non-resident in India from the transfer of equity shares shall be determined on the basis of the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident read with Multilateral Instrument as may be in effect, whichever is more beneficial, subject to fulfilling relevant conditions, and non-applicability of GAAR and maintaining and providing necessary documents prescribed under the IT Act.

9.5 Income from Sale of shares classified as Business Income

9.5.1 Income from sale of shares may also be classified as Income from "Profits and Gains from Business and Profession" (i.e. Business Income). Such characterization of Income from sale of shares is dependent on the facts of each case.

(a) Resident shareholders:

Profits of:

(i) Individuals, HUF, AOP and BOI will be taxable at applicable slab rates plus applicable surcharge and cess.

(ii) Domestic companies will be taxed at applicable tax rates (i.e. up to 30% plus applicable surcharge and cess).

(iii) For persons other than stated in (i) and (ii) above, profits will be taxable at 30% plus applicable surcharge and cess.

No benefit of indexation by virtue of period of holding will be available in any case.

(b) Non-resident shareholders:

(i) They can avail beneficial provisions of the applicable DTAA entered into by India with the country of which the non-resident seller is resident but subject to fulfilling relevant conditions read with Multilateral Instrument as may be in effect, and non-applicability of GAAR and maintaining and providing necessary documents prescribed under the IT Act.

(ii) Where DTAA provisions are not applicable:

(A) For non-resident individuals, HUF, AOP and BOI, profits will be taxable at applicable slab rates plus applicable surcharge and cess.

(B) For foreign companies, profits will be taxed in India at 40% plus applicable surcharge and cess.

(C) For other non-resident shareholders, such as foreign firms, profits will be taxed in India at 30% plus applicable surcharge and cess.

9.5.2 Additionally, certain clarifications have also been issued by tax authorities with respect to classification of income from sale of shares as Business Income and the same also needs to be analysed in the light of the facts of each case.

9.6 Tax Deduction at Source:

9.6.1 <u>In case of resident shareholders</u>

(a) *For payment of Offer Price (excluding interest)*

In absence of any specific provision under the IT Act, the Acquirers are not required to deduct tax on the Offer Price (excluding interest) payable to resident shareholders, in respect of the transfer of Equity Shares pursuant to the said Offer.

(b) *For payment of interest*

(i) The Acquirers will arrange to deduct tax at the rate of 7.5% under Section 194A of the IT Act in relation to the interest component of the Offer Price paid upto March 31, 2021, else at the rate of 10%.

(ii) In case any resident shareholder requires nil / lower amount tax to be deducted by the Acquirers on such interest payments, such resident shareholder will be required to submit a valid and effective certificate specifying the amount of tax to be deducted issued by the income-tax authorities under the relevant provisions of the IT Act ("**TDC**"). Such TDC shall indicate the amount of tax required to be deducted by the Acquirers before remitting the consideration for interest payments. The Acquirers will deduct taxes at source in accordance with such TDC.

(iii) All resident shareholders shall submit a self-attested copy of their Permanent Account Number ("**PAN**") card for income-tax purposes. In case, the self-attested copy of the PAN card is not submitted or is invalid or does not belong to the shareholder, the Acquirers will deduct tax at the rate of 20.00% (including surcharge and cess) as provided under section 206AA of the IT Act or the maximum rate, as may be applicable to the category of the shareholder under the IT Act, whichever is higher.

(iv) Notwithstanding anything contained above, no deduction of tax shall be made at source by the Acquirers where the total amount of interest payable to a resident shareholder does not exceed INR 5,000 or in the case of resident shareholder not being a company or firm, a self-declaration in Form 15G or Form 15H as may be applicable (as provided in the Income Tax Rules, 1962), has been furnished by a resident shareholder. The self-declaration in Form 15G and Form 15H will not be regarded as valid unless the resident shareholder has furnished its PAN in such declaration and the same should be submitted along with the Form of Acceptance-cum-Acknowledgement. Also, no tax is to be deducted on interest amount in the case of resident shareholder being an entity specified under Section 194A(3)(iii) of the IT Act if it submits a self-attested copy of the relevant registration, or notification along with the Form of Acceptance-cum-Acknowledgement.

9.6.2 <u>In case of non-resident shareholders</u>

(a) *In case of FIIs / FPIs:*

(i) <u>*For payment of Offer Price (excluding interest)*</u>

(A) Section 196D of the IT Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs / FPIs. Thus, no withholding of tax is required in case of consideration payable to FIIs / FPIs. The Acquirers would not deduct tax at source on the payments to FIIs / FPIs, subject to the following conditions:

(1) FIIs / FPIs furnishing the copy of the valid registration certificate issued by SEBI (including for subaccount of FII / FPI, if any);

(2) FIIs / FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations.

(B) If the above conditions are not satisfied, FIIs / FPIs may submit a valid and effective TDC specifying the amount of tax to be deducted, along with the Form of Acceptance cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. The Acquirers shall deduct tax in accordance with such TDC.

(C) If conditions in points (i) and (ii) above are not satisfied, the Acquirers will arrange to deduct tax at the maximum rate applicable under IT Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons plus applicable surcharge and cess) on the Gross Consideration for acquisition of Equity Shares, payable to such FIIs/ FPIs under the Offer.

(ii) <u>*For payment of interest*</u>

(A) The Acquirers will arrange to deduct tax at the maximum rate applicable under the IT Act (plus applicable surcharge and cess) on the interest component of the Offer Price payable to FIIs / FPIs, depending on category of the shareholder.

(B) However, if the FII/ FPI provides a TDC indicating the amount of tax which should be deducted on the interest payments, the Acquirers will arrange to deduct taxes at source in accordance with such certificate.

(C) All FPIs shall submit their PAN for income-tax purposes. In case PAN is not submitted or is invalid or does not belong to the shareholder, the Acquirers will arrange to deduct tax at least at the rate of 20.00% (including surcharge and cess) (as provided in Section 206-AA of the IT Act) on the interest component of the Offer Price regardless of a lower rate applicable otherwise on the entire consideration amount payable to such shareholder.

(b) *In case of other non-resident shareholders (other than FIIs / FPIs):*

(i) <u>*For payment of Offer Price (excluding interest)*</u>

(A) Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). This tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA read with Multilateral Instrument as may be in effect, if applicable for payments made to non-resident. Accordingly, each non-resident shareholder is required to obtain and submit TDC specifying the amount of tax to be deducted along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted on Gross Consideration by the Acquirers before remitting the consideration. In such a case, the Acquirers shall deduct tax in accordance with such TDC.

(B) In case TDC specifying the amount of tax to be deducted for non-resident shareholders (other than FIIs / FPIs) including NRIs / foreign shareholders, is not submitted, or is otherwise not valid and effective as of the date on which tax is required to be deducted at source, the Acquirers will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons plus applicable surcharge and cess), on the Gross Consideration (excluding interest) payable to such shareholder under the Offer.

(C) The Acquirers will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by such shareholder for deducting a lower amount of tax at source.

(D) In case of ambiguity, incomplete or conflicting information, the Acquirers will arrange to deduct tax at maximum rate applicable under the IT Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons plus applicable surcharge and cess) on the entire Gross Consideration (excluding interest).

(ii) *For payment of interest*

(A) In case of interest payments, if any, by the Acquirers for delay in payment of consideration or a part thereof, if any, the NRIs, OCBs, and other non-resident shareholders (excluding FIIs / FPIs) will be required to submit a TDC indicating the amount of tax to be deducted by the Acquirers before remitting the interest. The Acquirers will arrange to deduct taxes at source in accordance with such TDC.

(B) In an event of non-submission of TDC, the Acquirers will deduct tax at the maximum rate as may be applicable under the IT Act (plus applicable surcharge and cess) on the entire amount payable as interest to such shareholder.

9.6.3 In the event the Acquirers or the PACs, on the basis of any misrepresentation, inaccuracy or omission of information provided by a Public Shareholder, fails to withhold/ deduct the required tax, and as a result of such failure the Acquirers or the PACs are called upon by the Indian Income-tax authorities (by way of a demand notice or otherwise) for recovery of the shortfall in the taxes withheld/ deducted by the Acquirers and/or the PACs, the Acquirers and the PACs shall be entitled to seek indemnification from such Public Shareholder towards any payments made by the Acquirers or the PACs to the Indian Income-tax authorities towards such shortfall, together with any interest, penalties, litigation costs and any other expenses paid/ payable by the Acquirers or the PACs in connection therewith.

9.7 Rate of Surcharge and Cess

In addition to the basic tax rate, applicable surcharge, health and education cess are currently leviable as under:

(a) *Surcharge*

(i) In case of domestic companies: Surcharge at 12% is leviable where the total income exceeds INR 10 crore and at 7% where the total income exceeds INR 1 crore but is less than INR 10 crore.

(ii) In case of companies other than domestic companies: Surcharge at 5% is leviable where the total income exceeds INR 10 crore and at 2% where the total income exceeds INR 1 crore but is less than INR 10 crore.

(iii) In case of individuals, HUF, AOP, BOI:

(A) Surcharge at the rate of 10% is leviable where the total income exceeds INR 50 lakh but does not exceed INR 1 crore.

(B) Surcharge at the rate of 15% is leviable where the total income exceeds INR 1 crore but does not exceed INR 2 crore.

(C) Surcharge at the rate of 25% is leviable where the total income exceeds INR 2 crore but does not exceed INR 5 crore.

(D) Surcharge at the rate of 37% is leviable where the total income exceeds INR 5 crore.

(iv) In case of Firm and Local Authority: Surcharge at 12% is leviable where the total income exceeds INR 1 crore.

(b) *Cess*

Health and education cess at 4% is currently leviable in all cases.

9.8 Other Matters

9.8.1 The tax deducted by the Acquirers while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income tax authorities.

(a) The Acquirers, PACs and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

(b) Public Shareholders who wish to tender their Equity Shares must submit the following information along with the Form:

(i) Information requirement from non-resident Public Shareholder:

(A) Self-attested copy of PAN card; or

(1) Name, email id, contact number of the non-resident Public Shareholder;

(2) Address in the country or specified territory outside India of which the non-resident Public Shareholder is a resident;

(3) A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

(4) Tax Identification Number of the non-resident Public Shareholder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the non-resident Public Shareholder is identified by the Government of that country or the specified territory of which he claims to be a resident.

(B) TDC from the income-tax authorities specifying the amount of tax to be deducted, if any;

(C) Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);

(D) SEBI registration certificate for FII / FPI, wherever applicable.

(ii) Information requirement in case of resident Public Shareholder:

(A) Self-attested copy of PAN card;

(B) Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);

(C) Self-attested declaration in respect of nature of holding the Equity Shares (e.g. as capital asset or as business asset);

(D) If applicable, self-declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment, if any;

(E) TDC from the income-tax authorities (applicable only for the interest payment, if any) specifying the amount of tax to be deducted; and

(F) For Mutual Funds / Banks / other specified entities under Section 194A(3)(iii) of the IT Act - Copy of relevant registration or notification (applicable only for the interest payment, if any).

9.8.2 Other points for consideration:

(a) Public Shareholders who wish to tender their Equity Shares must submit the information / documents, as applicable, all at once along with the Form of Acceptance-cum-Acknowledgement and those that may be additionally requested for by the Acquirers and/or the PACs. The documents submitted by the Public Shareholders along with the Form of Acceptance-cum-Acknowledgement will be considered as final. Any further / delayed submission of additional documents, unless specifically requested by the Acquirers and/or the PACs, may not be accepted.

(b) Based on the documents and information submitted by the shareholder, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirers and the PACs. In case of non-resident, if TDC specifying the amount of tax to be deducted is not furnished or the furnished TDC is not valid or effective or incomplete and does not provide requisite details as on the date of deduction then the tax will be deducted at the maximum rate applicable under IT Act (plus applicable surcharge and cess) on the gross value of consideration.

(c) Taxes once deducted will not be refunded by the Acquirers under any circumstances. Taxes deducted by Acquirers will be deposited with the Government treasury.

(d) The Acquirers shall deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the shareholders, such Public Shareholders will be responsible to pay and indemnify such income tax demand (including interest, penalty, litigation cost etc.) and provide the Acquirers and the PACs, with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

(e) The tax deducted by the Acquirers and the PACs while making the payment to a shareholder under this Offer may not be the final liability of such shareholders and shall in no way discharge the obligation of the shareholders to appropriately disclose the amount received by it, pursuant to this Offer, before the income tax authorities. The rate at which tax is required to be deducted is based on the tax laws (or judicial precedents) prevailing as on the date of this Draft Letter of Offer. If there is any change in the tax laws with regards to withholding tax rates as on the date of deduction of tax, the tax will be deducted at the rates applicable at the time of deduction of tax.

(f) All Public Shareholders are advised to consult their tax advisors for the treatment under the IT Act and that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers, the PACs and the Manager do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

(g) The Acquirers, the PACs and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

APPLICABILITY OF OTHER RELEVANT LAWS IN INDIA (SUCH AS STAMP DUTY ETC.) SHALL DEPEND ON FACTS OF EACH CASE AND THE PUBLIC

SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN ADVISORS FOR THE SAME.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by Public Shareholders at the office of the Manager, between 10 a.m. and 5 p.m. on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period (July 16, 2020) until the date of closure of the Tendering Period (July 29, 2020).

(a) Certified copies of the Certificate of Incorporation and constitutional documents (including amendments thereto) of the Acquirers;

(b) Certified copies of the Certificate of Incorporation and constitutional documents (including amendments thereto) of the PACs;

(c) Certificate dated May 27, 2020 by K.J Sheth & Associates, Chartered Accountants, located at 2nd floor, Seksaria Chambers, 139, N.M. Road, Fort, Mumbai 400 001, certifying that Acquirer 1 has adequate financial resources to fulfill its obligations under this Offer;

(d) Certified copies of annual reports of Acquirer 1 for the last three financial years (as of and for the financial years ended December 31, 2017, December 31, 2018, and December 31, 2019);

(e) Certified copies of annual reports of Acquirer 2 for the last three financial years (as of and for the financial years ended March 31, 2017, March 31, 2018, and March 31, 2019 and limited review interim financial statements for the 9 month period ended on December 31, 2019);

(f) Certified copies of annual reports of PAC 1 for the last financial year (as of and for the financial year ended December 31, 2019);

(g) Certified copies of annual reports of PAC 2 for the last three financial years (as of and for the financial years ended December 31, 2017, December 31, 2018 and December 31, 2019);

(h) Certified copy of the audited annual report of the Target Company for the financial year ending on December 31, 2019;

(i) Copies of the valuation reports dated March 24, 2020 issued by Bansi S. Mehta & Co., Chartered Accountants, (Firm Registration Number: 100991W) and Ernst & Young Merchant Banking Services LLP, Category I Merchant Banker, (Registration Number: INM000010700);

(j) A letter dated May 29, 2020 from the Escrow Bank confirming the amount kept in the Escrow Account – Cash;

(k) Copy of the SPA;

(l) Copy of the Public Announcement (including any corrigendum to it);

(m) Copy of the Detailed Public Statement (including any corrigendum to it);

(n) Copy of the Offer Opening Public Announcement (including any corrigendum to it) to be published by the Manager on behalf of the Acquirer;

(o) Published copy of the recommendation to be made by the committee of independent directors of the Target Company in relation to the Offer;

(p) SEBI observation letter no. [●] dated [●] on the Draft Letter of Offer; and

(q) Copy of the Open Offer Escrow Agreement dated May 26, 2020, between Acquirer 1, the Manager and the Escrow Bank.

11. DECLARATION BY THE ACQUIRERS AND THE PACS

11.1 The Acquirers and the PACs and their respective directors accept responsibility for the information contained in the Draft Letter of Offer including the Form of Acceptance-cum-Acknowledgement (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).

11.2 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.

11.3 The information pertaining to the Target Company contained in the Public Announcement or the Detailed Public Statement or the Draft Letter of Offer or any other advertisement/ publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company, as the case may be, or publicly available sources which has not been independently verified by the Acquirers, the PACs or the Manager. The Acquirers and the PACs do not accept any responsibility with respect to any misstatement by the Target Company in relation to such information.

11.4 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.

11.5 The person(s) signing this Draft Letter of Offer are duly and legally authorized by the Acquirers and the PACs, as applicable, to sign the Draft Letter of Offer.

For and on behalf of the Acquirers and the PACs

ABB Switzerland Ltd	Hitachi, Ltd.	ABB Management Holding AG	ABB Ltd
Place: Switzerland	**Place: Japan**	**Place: Switzerland**	**Place: Switzerland**
Date: June 09, 2020	**Date: June 09, 2020**	**Date: June 09, 2020**	**Date: June 09, 2020**

FORM OF ACCEPTANCE-*CUM*-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

[Please send this form with enclosures to Link Intime India Private Limited at any of the collection centres mentioned in the Letter of Offer.]

ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the Letter of Offer)

From
Name:
Address:

TENDERING PERIOD FOR THIS OFFER	
OFFER OPENS ON	**July 16, 2020**
OFFER CLOSES ON	**July 29, 2020**

Floor/ Door:
Block No:
Area/ Locality:
Town/ City/ District:
State:
Country:
Zip/ Pin Code:

Principal Place of Business:

Tel. No. (including ISD Code): **Fax No:** **Email:**

To,
The Acquirers and the PACs
C/o Link Intime India Private Limited
C-101, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083
Tel: +91-22-4918 6200
Email: appsil.offer@linkintime.co.in

Dear Sir,

SUB: CASH OFFER OF INR 865.92 PER FULLY PAID UP EQUITY SHARE OF FACE VALUE OF INR 2 EACH, TO ACQUIRE UP TO 1,05,95,419 EQUITY SHARES ("OFFER SHARES") REPRESENTING 25% OF THE VOTING SHARE CAPITAL, UNDER THE SEBI (SAST) REGULATIONS, FROM THE PUBLIC SHAREHOLDERS OF ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED.

I / We refer to the Letter of Offer dated [●], [●] for acquiring the Equity Shares held by me / us in ABB Power Products and Systems India Limited.

I / We, the undersigned, have read the Public Announcement, the Detailed Public Statement, the Letter of Offer and understood its contents, including the terms and conditions mentioned therein and unconditionally agree to such terms and conditions.

I / We acknowledge and confirm that all the particulars / statements given herein are true and correct.

I / We, are holding the Equity Shares in dematerialized form, and accept the Offer and enclose a photocopy of the Delivery Instruction in **"Off-market"** mode, duly acknowledged by my / our DP in respect of my / our Equity Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

I / We have executed an off-market transaction for crediting the Equity Shares to the Escrow Demat Account with "**Ventura Securities Limited**" as the DP in **NSDL** styled **LIIPL APPSIL OPEN OFFER ESCROW DEMAT ACCOUNT** whose particulars are:

DP Name: Ventura Securities Limited	**DP ID: IN303116**	**Client ID: 13089565**

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

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Offer are not locked-in and are free from pledges, liens, charges, equitable interests, non-disposal undertakings and any other form of encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I / We confirm that the sale and transfer of the Equity shares held by me / us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I / we are a party to.

My / Our execution of this Form of Acceptance-cum-Acknowledgement shall constitute my / our warranty that the Equity Shares comprised in this application are owned by me / us and are sold and transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirers and the PAC, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these Equity Shares.

I / We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.

I / We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my / our right to tender Equity Shares in this Offer and that I / we am / are legally entitled to tender the Equity Shares in this Offer. I / We declare that regulatory approvals, if applicable, for holding the Equity Shares and / or for tendering the Equity Shares in this Offer have been enclosed herewith.

I / We also note and understand that the obligation on Acquirer 1 to accept the Equity Shares tendered by me / us and pay the purchase consideration arises only after verification of the certification, documents and signatures submitted along with this Form of Acceptance-cum-Acknowledgment by the Public Shareholders, and subject to the adherence of the aforementioned Instructions. I / We undertake to return to the Acquirers and PACs any Open Offer consideration that may be wrongfully received by me / us.

I / We confirm that I / we am / are in compliance with the terms of the Open Offer set out in the Public Announcement, the Detailed Public Statement, and the Letter of Offer.

I / We confirm that I / we are not persons acting in concert with the Acquirers and/or the PACs.

I / We give my / our consent to the Acquirers and PACs to file any statutory documents on my / our behalf in relation to accepting the Equity Shares in this Offer.

I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Acquirers and PACs to effectuate this Offer in accordance with the SEBI (SAST) Regulations.

I / We are / am not debarred from dealing in shares or securities, including the Equity Shares.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income-tax Act, 1961 ("**IT Act**") (including but not limited to Section 281 of the IT Act). I / We confirm that no notice has been issued by the Income-tax authorities impacting the rights to transfer the shares.

I / We confirm that in case Acquirer 1 is of the view that the information / documents provided by the Public Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the maximum rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act on the payment pertaining to Gross Consideration paid to the Public Shareholders.

I / We confirm that in case of interest payments, if any, by Acquirer 1, I/ We will be required to submit a TDC indicating the amount of tax to be deducted by Acquirer 1 before remitting the interest. Acquirer 1 will arrange to deduct taxes at source in accordance with such TDC. In an event of non-submission of TDC, Acquirer 1 will deduct tax at the maximum rate as may be applicable under the IT Act (plus applicable surcharge and cess) on the entire amount payable as interest to such shareholder. Acquirer 1 will deduct taxes at source at the applicable rates as per the IT Act.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, or as a result of income tax (including any consequent interest and penalty) on the income arising from tendering of the Offer Shares, and that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, or as a result of income tax (including any consequent interest and penalty) on the interest payments, I / We will indemnify the Acquirers and the PACs for such income tax demand (including interest, penalty, etc.) and provide the Acquirers and PACs with all information / documents/ returns/ forms/ income tax filings and compliance documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority. I / We confirm that we will indemnify the Acquirers and PACs for such income tax demand (including interest, penalty, etc.) and provide the Acquirers and PACs with all information / documents/ returns/ forms/ income tax filings and compliance documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority for any liability on the Acquirers and PACs as a representative assessee in terms of Section 160 – 163 of the IT Act.

I / We confirm that the sale and transfer of the relevant Equity Shares will be complete on the date of the remittance of the purchase consideration by Acquirer 1 to me / us in any of the modes as set out above. Any delay in the receipt of the purchase consideration by me/us will not make the sale and transfer of the Equity Shares void or voidable.

I / We note and understand that the Equity Shares would lie in the Escrow Demat Account until the time Acquirer 1 makes payment of purchase consideration as mentioned in the Letter of Offer. I / We authorise Acquirer 1 to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I / we further authorize Acquirer 1 to return to me / us, Equity Shares in respect of which the offer is not found valid / not accepted without specifying the reasons thereof.

I / We authorize the Acquirers and/or the PACs to acquire all the Equity Shares so tendered by me / us or such lesser number of Equity Shares, which it / they may decide to accept, in consultation with the Manager to the Offer, and in terms of the Letter of Offer;

I / We authorize the Acquirers and/or the PACs, and the Registrar to the Offer to:

- make payment to me/us in respect of the validly tendered Equity Shares, which are being accepted in the Offer, by electronic transfer of funds in full and final settlement due to me / us, by obtaining the bank account details from the beneficiary position download provided by the depositories, or send across the crossed account payee cheque, demand draft, or pay order, in full and final settlement due to me / us, by registered post or ordinary post, at my / our sole risk,
- return to me / us by registered post or ordinary post, unaccepted documents, if any, at my/our sole risk, without specifying the reasons thereof;
- credit such number of Equity Shares to the same demat account from which they were tendered, to the extent that the Equity Shares tendered by me/us are not found valid / accepted, in each case at my / our sole risk, without specifying the reasons thereof.

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT / EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. JULY 29, 2020 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

<u>FOR ALL PUBLIC SHAREHOLDERS</u>

I/We, confirm that my/ our residential status for the purpose of tax is ("✓"whichever is applicable):

☐ Resident
☐ Non-resident, if yes please state country of tax residency:
(If none of the above box is ticked, the residential status of public shareholder for withholding tax propose will be considered as non-resident)

☐ Individual	☐ Foreign Company	☐ FII/FPI - Corporate	☐ FII/FPI - Others	☐ Indian Company
☐ Indian Trust	☐ FVCI	☐ Foreign Trust	☐ Private Equity Fund/ AIF	☐ Pension/Provident Fund
☐ Sovereign Wealth Fund	☐ Partnership/ Proprietorship firm/ LLP	☐ Financial Institution	☐ NRIs/PIOs - repatriable	☐ NRIs/PIOs - non-repatriable
☐ OCB	☐ QFI	☐ Insurance company	☐ Banks	☐ Association of persons/ body of individual
☐ Any others, please specify :				

I / We, have enclosed the following documents:

☐ Self-attested copy of PAN card
☐ Photocopy or counterfoil of the delivery instructions in "off market" mode duly acknowledged by the Public Shareholders' DP, in favour of the Escrow Demat Account
☐ Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum Acknowledgement
☐ Corporate authorization, in case of companies along with certified copy of the board resolution and specimen signatures of authorised signatories
☐ Duly attested death certificate and succession certificate / probate / letter of administration (in case of single shareholder), in case the original shareholder has expired
☐ TDC from income tax authorities specifying the amount of tax to be deducted on the payment pertaining to Gross Consideration (excluding interest) , wherever applicable
☐ TDC from the income-tax authorities specifying the amount of tax to be deducted on interest payments; and
☐ Other relevant documents (please specify)
____

Additional confirmations and enclosures for Resident Public Shareholders:

I / We, have additionally enclosed the following documents:

☐ Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify)
☐ Self-declaration form in Form 15G / Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any)
☐ For Mutual funds / Banks / Notified Institutions under Section 194A (3)(iii) of the IT Act, attested copy of relevant registration or notification (applicable only for interest payment, if any); and
☐ For Alternate Investment Funds ('AIF's'), attested copy of relevant SEBI registration certificate or notification specifying it is Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992)

(Note: All Resident Public Shareholders are advised to refer to the Section 9 (Note on Taxation) of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them. However, it may be noted that Public Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Section 9 (Note on Taxation) as referred to above, are indicative and for guidance purposes only)

Additional confirmations and enclosures for FII / FPI Public Shareholders:

I/We confirm that my/our investment status is (and "✓"whichever is applicable):

- ☐ Foreign Direct Investment Route
- ☐ Portfolio Investment Scheme Route
- ☐ Any other – please specify ________________________________

I/We confirm that the Equity Shares tendered by me/us are held on (☐whichever is applicable):

- ☐ Repatriable basis
- ☐ Non-repatriable basis

I/We confirm that ("✓" whichever is applicable):

- ☐ No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the RBI
- ☐ Copies of all approvals required by me for holding Equity Shares that have been tendered in this Offer are enclosed herewith

I / We, have additionally enclosed the self-attested copies of the following documents:

- ☐ Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs. If this is not furnished then tax will be deducted at the maximum rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act, on the payment pertaining to Gross Consideration for acquisition of shares, payable to such FIIs/ FPIs under the Offer).
- ☐ SEBI Registration Certificate for FIIs / FPIs (mandatory to be submitted by FIIs/FPIs. If this is not furnished then tax will be deducted at the maximum rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act on the payment pertaining to Gross Consideration for acquisition of shares, payable to such FIIs/ FPIs under the Offer).
- ☐ RBI approval for acquiring Equity Shares tendered herein, if applicable
- ☐ FII / FPI Certificate (self-attested declaration certifying the nature of income arising from the sale of Equity Shares, whether capital gains or business income)
- ☐ Other relevant documents (please specify) ____

Additional confirmations and enclosures for other Non-resident Public Shareholders (except FIIs / FPIs):

I / We, have additionally enclosed the self-attested copies of the following documents:

- ☐ In absence of PAN card (a) name, email id, contact number; (b) address in the country of residence; (c) Tax Residency Certificate; and (d) tax identification number in the country of residence
- ☐ Self-declaration for no permanent establishment in India or no business connection in India
- ☐ Copy of RBI / FIPB approval, if any, for acquiring Equity Shares of Target Company hereby tendered in the Offer and RBI approval evidencing the nature of shareholding, i.e. repatriable or non-repatriable basis, if applicable
- ☐ Copy of RBI approval (For NRI Public Shareholders tendering their Equity Shares in the Offer held on a non-repatriable basis) if any, permitting consideration to be credited to a NRE bank account
- ☐ Copy of RBI approval for OCBs tendering their Equity Shares in the Offer. Also mention the source of funds for initial acquisition of Equity Shares and the nature of the holding of Equity Shares (repatriable / non-repatriable basis)
- ☐ Other relevant documents (please specify) ____

BANK DETAILS

For Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

In case of interest payments, if any, by Acquirer 1 for delay in payment of Offer consideration or a part thereof, Acquirer 1 will deduct taxes at source at the applicable rates as per the IT Act. For details please refer to instruction no. 17 given overleaf.

Yours faithfully,

Signed and Delivered:	**Full Name**	**PAN**	**Signature**
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary board resolutions should be attached.

Place: ________________

Date: ________________

---Tear Here---

Acknowledgement Receipt – ABB Power Products and Systems India Limited – Open Offer

Received from Mr./Ms./M/s.____

Form of Acceptance-cum-Acknowledgement for ABB Power Products and Systems India Limited -Open Offer as per details below:

Number of Equity Shares: _______________________; DP ID / CL ID______________________; Client ID ________________

Copy of delivery instruction to depository participant of DP ID___________ Client ID___________for_______________________Equity Shares

Date of Receipt <<consider mentioning place of receipt here as well>>:

__________________________ Stamp of collection centre: Signature of Official:

INSTRUCTIONS

PLEASE NOTE THAT NO EQUITY SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS, THE PACS, THE TARGET COMPANY OR THE MANAGER TO THE OFFER

1. This Form must be legible and should be filled in English only.
2. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
3. As per the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI PR 49/2018 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 1, 2019. **Accordingly, the Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Offer can do so only after the Equity Shares are dematerialised. Such Public Shareholders are advised to approach any depository participant to have their Equity Shares dematerialised**.
4. The Public Shareholders are advised to ensure that their Equity Shares are credited in favour of the Escrow Demat Account, before the closure of the Tendering Period i.e. July 29, 2020. The Form of Acceptance-cum- Acknowledgement of such dematerialized Equity Shares not credited in favour of the Escrow Demat Account, before the closure of the Tendering Period will be rejected.
5. Public Shareholders should enclose all documents/ annexures required to be provided with the Form of Acceptance- cum-Acknowledgement above, including the following:
   - Form of Acceptance-cum-Acknowledgement (in the form attached herewith) duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant ('DP')
   - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer
   - Photocopy of the inter-depository delivery instruction slip, if the beneficiary holders have an account with CDSL
   - A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signatures of authorized signatories) and TDC certificate from income tax authorities, as applicable

   Please note the following:
   - For each delivery instruction, the beneficial owners should submit separate Form of Acceptance-cum-Acknowledgement
   - 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.

   In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Escrow Demat Account, the Acquirers and the PACs may (at their sole discretion) deem the Offer to have been accepted by the Public Shareholder in case of a resident Public Shareholder.

6. In case of Equity Shares held in joint names, names should be filled in the same order in this form as the order in which they hold the Equity Shares and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
7. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
8. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Offer Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
   - Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Public Shareholder) in case the original Public Shareholder is dead.
   - Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form of Acceptance-cum-Acknowledgement.
9. All the Public Shareholders are advised to refer to Section 9 (*Note on Taxation*) in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration to be received by them. However, it may be noted that the Public Shareholders should consult with their

own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Section VIII, as referred to above, are indicative and for guidance purposes only.

10. The Form of Acceptance-cum-Acknowledgement should be sent only to, the Registrar to the Offer and not to the Manager to the Offer, the Acquirers, the PACs or the Target Company.
11. Non-Resident Public Shareholders should enclose TDC certificate issued by the income tax authorities under the IT Act indicating the tax to be deducted if any by Acquirer 1 before remittance of consideration. Otherwise tax will be deducted at the maximum rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act, on the payment pertaining to the Gross Consideration payable by Acquirer 1.
12. Erstwhile FIIs, and FPIs are requested to enclose their respective valid registration certificates with SEBI. In case of a company, a stamp of the company should be affixed on the Form of Acceptance-cum-Acknowledgement. A company / erstwhile FII / FPI/ erstwhile OCB should furnish necessary authorization documents along with specimen signatures of authorised signatories.
13. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard. Equity Shares to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details received from the depositories, furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
14. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
15. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer at Section 8 (*Procedure for Acceptance and Settlement of the Offer*).
16. The Letter of Offer along with the Form of Acceptance is being dispatched/ sent through electronic mail to all the Public Shareholders as on the Identified Date. In case of non-receipt of the Letter of Offer, such shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares.
17. Interest payment, if any: In case of interest payments by Acquirer 1 for delay in payment of Offer consideration or a part thereof, Acquirer 1 will deduct taxes at source at the maximum rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act All the Public Shareholders are advised to refer to Section 9 (*Note on Taxation*) in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration to be received by them.
18. Neither the Acquirers, the PACs, the Manager, the Registrar nor the Target Company, will be liable for any delay / loss in transit resulting in delayed receipt / non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit the Equity Shares in the Escrow Demat Account or for any other reason.
19. In case Acquirer 1 is of the view that the information / documents provided by the Public Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the maximum rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act, on the payment pertaining to Gross Consideration paid to the Public Shareholders.
20. Payment of Consideration: Public Shareholders must note that on the basis of name of the Public Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance- cum-Acknowledgement, the Registrar to the Offer will obtain from the Depositories, the Public Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Public Shareholders. Hence Public Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Public Shareholders sole risk and neither the Acquirers, the PACs, the Manager to the Offer, the Registrar to the Offer, the Target Company, nor the Escrow Agent shall be liable to compensate the Public Shareholders for any loss caused to the Public Shareholders due to any such delay or liable to pay any interest for such delay.
21. If non-resident Public Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents

required in terms of the Letter of Offer, and provide such other consents, documents and confirmations as may be required to enable Acquirer 1 to purchase the Offer Shares so tendered. In the event any such approvals are not submitted, Acquirer 1 reserves the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.

The tax deducted under this Offer is not the final liability of the Public Shareholders or in no way discharges the obligation of Public Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns.

All Public Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers, the PACs, the Manager to the Offer and the Registrar to the Offer, do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING EQUITY SHARES IN THIS OFFER, PLEASE REFER TO THE LETTER OF OFFER

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:

LINK Intime

LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
Tel: +91 22 4918 6200 Fax: +91 22 4918 6195
Email: appsil.offer@linkintime.co.in
Contact Person: Mr. Sumeet Deshpande
SEBI Registration No.: INR000004058