

October 28, 2021

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

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

Dear Sirs

Subject: Transcript of Analysts/Investors call held on Friday, October 22, 2021 as per Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Please note that as per our intimation letter dated October 14, 2021 and in furtherance to our letter dated October 22, 2021 wherein we had shared the copy of Investors presentation and Press release, a conference call was organized with Analysts/Investors on Friday, October 22, 2021 at 5:00 pm.

We are now enclosing the transcript of the said conference call held with Analysts/Investors, which is being uploaded on the Company's website at:

www.hitachienergy.com/in

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For ABB Power Products and Systems India Limited

Poovanna Ammatanda
General Counsel and Company Secretary



Encl: As above

ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

Registered Office:

8th Floor, Brigade Opus, 70/401, Kodigehalli Main Road,
Bengaluru – 560 092, Phone: 080 22041800 , 080 68473700

Local Address: 8th Floor, Brigade Opus, 70/401 Kodigehalli Main Road, Bengaluru-560092

CIN: L31904KA2019PLC121597

www.hitachienergy.com/in



“ABB Power Products and Systems India Limited's Q3 FY'21
Earnings Conference Call”

October 22, 2021



**MANAGEMENT OF ABB POWER PRODUCTS & SYSTEMS INDIA
LIMITED:**

**MR. N. VENU – MANAGING DIRECTOR & CHIEF EXECUTIVE
OFFICER**

MR. AJAY SINGH – CHIEF FINANCIAL OFFICER

**MR. POOVANNA AMMATANDA-GENERAL COUNSEL AND COMPANY
SECRETARY**

Moderator: Ladies and gentlemen, good day and welcome to the Analyst Call for ABB Power Products and Systems India Limited Q3 Results. At this moment, all participants are in listen-only mode. A question-and-answer session will be conducted towards the end of the call. At any time during the call, you may click on the audio question tab below the media player and join the queue to ask questions. Please join the queue early in the call to ensure we address as many queries as possible. Please note that this conference is being recorded. I now hand the conference over to Mr. N. Venu – Managing Director and CEO, ABB Power Products and Systems India Limited. Thank you and over to you sir.

N. Venu: Good evening, everyone. Thank you for joining us for the call today. I hope all is well at your end and you continue to take all necessary precautions to keep yourself safe and your family members safe.

I am going to refer to the slide numbers. We have already uploaded in the stock exchange, just for your information. And if you are able to see the slides also good.

India appears to be slowly getting back on track. We see active Covid-19 caseload coming down and more and more people getting vaccinated. We reached the 100-crore milestone yesterday of cumulative doses administered in the country.

Green shoots of economic recovery are also starting to become more visible now, with core industries such as electricity, steel, cement, natural gas, fertilizers starting to improve. With demand and economic activity picking up, business confidence has surged. We share the same optimism. We are feeling much better about the state of the economy as well as business than we were at the start of the year.

So, let me refer to Slide #4. We retain our focus on keeping our people safe and healthy. As they say, prevention is better than the cure – there is no better way to prevent than by spreading awareness. We have continued conducting regular training sessions and consultations for our people and partners and also employees family to combat the spread of the Covid-19 virus, reduce HSE hazards at workplace or sites, as well as prevent any ailment arising out of the new normal. We have held special sessions to impart awareness ranging from lifesaving rules to proper ergonomics and posture. That's to ensure our people don't neglect basic health while adjusting to a new way of life.

Our work is underpinned by Safety, Integrity and Quality - our licenses to operate. And it continues to reverberate with our customers as well through our high service standards. We are glad to be recognized by leading industry players for our values and commitment to safety, showing us that we are on the right track.

Moving to the next Slide #5, as you all may be aware, globally firms have been grappling with supply chain constraints. The pandemic era's supply shock is unfolding itself into gridlocked ports delaying shipments of critical material. On top of this, there are shortages ranging from

microchips to coal, hindering firms in unleashing their full revenue potential since these are base elements for industries.

In this scenario, while we have seen a steady rise in our orders, our revenue has been impacted. Even though we have had meaningful order wins, we had about INR 64 crore worth of revenue impacted due to pandemic-induced costs and delays -- stopping us from tasting a full recovery.

Yet, we managed a credible performance in sync with market realities. Long-term fundamentals appear solid. Demand in the September quarter was driven by rail, datacenters, and utilities, helping us further strengthen our position in growth segments of the future. A considerable chunk of our orders pertained to renewable energy, with solar and hydro projects generating significant demand for our high voltage and grid integration products. Transformers drew strong interest from rail and metro companies alongside top utilities to cater to rising power demand.

We put unwavering efforts at stabilizing our supply chains and improving efficiencies. At the same time, we made solid headway toward our sustainability goals in the quarter.

This year, we released our 2030 carbon neutral goals. We had set short, medium and long term targets to advance the energy transition underway in India as well as around the world. We had committed to 100% renewable energy consumption by all over factories and offices and projects..... by March 2022.

I am happy to share that as of today we have achieved 100% fossil free electricity at one of our factories and we are very much on the way to reach our target by March 2022 in the remaining part of our factories. We completed all energy audits and SF6 management plans, among other measures, required to implement the transition to 100% fossil free operations in all our other factories as well.

We strive to champion the urgency and pace of change needed to reach Net Zero. Achieving the promise of a carbon-neutral future means integrating large-scale renewable energy – overcoming complexity and capacity issues and cutting waste.

In that direction, as part of a global initiative within the company to reward excellent environmental strategies and overall performance of manufacturing units, our Common Apparatus Unit in Maneja ranked the highest among 33 global units for waste recycling, LED lighting, solar power generation and its use.

In addition to making notable headway in decarbonizing our operations, in today's board meeting, we proactively constituted an Environmental, Social and Governance (ESG) Committee of Directors to track our performance and the shareholders' value. In today's board meeting, this has been decided, and as you know our technology and our portfolio shall enable carbon-neutral future for our customers. So we are taking a new role in not only announcing the 2030 carbon strategy but also taking the leading goal in announcing the committee of directors at the board level to track the performance of the ESG.

At Hitachi Energy, sustainability is at the heart of our focus. And we are energized and motivated by the shared goal of accelerating a carbon-neutral future for the generations to come.

Moving to the Slide #7.

Speaking of the operating environment for business, the aftermath of the first and second Covid wave has resulted in soaring demand while supply lines are being stretched thin with traffic congestion at ports. Fuel prices are record-high and core inflation, which excludes food and fuel, likely indicates impending inflationary pressure.

While electricity demand is expected to grow 8-8.5% in FY22, risk of a power crisis emanating from coal shortages may dampen supply and impact production at core industries, softening the pace of economic and business revival. The good part is that Government has assured that there will not be any shortage of coal.

Hence while we have opportunities in the pipeline, we cannot be wholly sanguine yet.

Moving to the Slide #10 In the third quarter, all the headwinds I have discussed notwithstanding, we remained the partner-of-choice for our products, services and software solutions. Transport and industries alone drove about half the order book, handled predominantly through direct sales.

We continued to make headway in our key focus areas such as renewable integration, metro and rail, all essential drivers of our business growth and also in line with our Vision 2025. We catered to about 1GW worth of cumulative renewable orders, alongside pegging a 150 percent jump in our performance in railways and metros and 5 percent increase in industries compared to last year. Our contribution to power quality, however, left much for wanting. We aim to increase our share there in the months ahead.

Moving to Slide #11, exports remained healthy, contributing more than 18% to the order book in this quarter and cumulatively, if you take nine months, our exports are in the same range as we have been talking about, between 20% and 25%, so in exports, cumulatively for nine months, we are around 22%.

Among others, orders for the exports in this quarter we received breakthrough high voltage orders from key utilities in South and Latin America, Eastern Africa as well as an order for our power systems studies from an FMCG company in South Asia.

Our Southeast portfolio continued to deliver as we received first-of-its-kind Automation order from Haryana state utility, booked our biggest Online Dissolved Gas Analysis order from coastal Gujarat, our First Healthcare Remote Asset Management Order in the Renewable Energy space in Asia for 750 MW Solar Photovoltaic plant in Rajasthan on Grid Automation and Cyber Security orders for power stations, metals and petrochemical companies in addition to several others.

Our Consultancy business attracted companies in power, aviation, textiles, manufacturing and specialty intermediates for synthetic studies. Customers trust remained rock solid despite difficult market conditions.

Moving to the Slide #12, Our three-pronged strategy, put in place at the peak of the pandemic, of protecting our people, preserving business continuity and preparing for the new norm,

continued to support us in walking uncertain market conditions. Even amidst commodity market and supply lines turbulences we delivered a credible and sustained performance.

As of September 30, 2021, our order backlog stood at INR 4,896.5 crore, which will unlock revenue streams in the coming months.

Our profit before tax was INR 47.2 crores while net profit was up over 614 percent YoY at INR 34.3 crores. Operational EBITA stood at INR 55.6 crores in the September quarter, with EBITA margin at 6.5 percent.

High inventory build-up in our factories, mainly for our high demand products, due to the supply line crunch, deferment of revenue and high input costs impacted our cash flow. We had to borrow intermittently during the quarter.

Easing of port congestion, stability in commodity markets and input costs are likely to bring relief and improve our short-term liquidity position.

Moving to the Slide #13, our priorities ahead, as I have been also telling you in the previous quarters, we invest in India for the long-term. While we aim to introduce new products to capture a bigger share of the market, our goal is to localize our portfolio. Build indigenous capabilities. We will continue to make in India for India and for the rest of the world.

Our key focus will remain protecting our people and along with them building our capabilities in high-growth segments such as rail, datacenters, transmission, renewables and HVDC and smart light. The Indian government has set ambitious targets in each of these.

We will concentrate on accelerating our growth through services, digital solutions, and exports, leveraging our strong local footprint. We have a comprehensive portfolio of future-ready and state-of-the-art products, software, services, and systems to cater to them.

Commitment to lowering the carbon footprint of our operations, product localization, digitalization of the grid will be a part of our yardsticks to measure our success.

Nothing is complete without our people. Their safety, their growth and their upskilling will remain in focus for us.

In this Energy Transition, it is crucial that we take on the challenge of accelerating the pace of change. We see ourselves playing a leading role through our digital and energy platforms, as the partner of choice for our customers and for the industry, to advance a sustainable energy future for all.

Moving to my last slide, it's a very important slide, as you see that, you may already be aware that we are already using a Hitachi Energy slides, you may already be aware that globally our promoter company Hitachi Energy went live on October 13, 2021, that means they have changed the name globally from Hitachi ABB Power Grids to Hitachi Energy globally. So, in India, we

are in the process of securing approval from the Ministry of Corporate Affairs for a change in the local company name to align with the global entity. As you know that our shareholders have already approved the name change and while I would refrain from sharing more information on that until the change actually happens, I can say that I and my entire team are very excited to start this new chapter in our history. Our new purpose of Hitachi Energy is advancing with energy in future for all. We are advancing the world's energy system to be more sustainable and secure.

As a pioneering technology leader, we collaborate with customers and partners to enable a sustainable energy future for today's generation and those to come.

So, with that, thank you, ladies and gentlemen. I would now like to open the channel for your questions.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Saurabh Shah. Please proceed with your question.

Saurabh Shah: A couple of questions on the financial Slide #11. Now, slowly, hopefully, if COVID doesn't come back in a meaningful form which affects our operations, what kind of revenue lines do you see for the next three months or how should we look at a normalized kind of a revenue number from Rs.850 crores, last year it was Rs.950 crores, so do you see this trajectory kind of moving up largely or you expect this to be similar in the next two or three quarters, how are you seeing the order execution timelines minus of course any COVID disruptions?

N. Venu: As you know, being a listed company, we don't give any forward-looking statement, but I like to give a little bit of pointers so that you understand. I think with the COVID, as you rightly said, hopefully behind us and we don't see big waves as we have seen previously, we expect the revenue to come back to better than the pre-COVID level.

Saurabh Shah: So, the orders kind of intake going up especially on a QoQ basis, do you expect that to accelerate... I am not talking of next couple of quarters, just given the way we had announced the demerger and the focus, are you seeing a slightly higher uptick in the revenue growth rate and all or it would be in the Rs.1,000 crores range only?

N. Venu: As you can see, our nine months cumulative will be already seeing an uptick in our revenue and if you really look at the nine months year-on-year there is already an 11.5% increase in the revenue, right. So that is considering the COVID situation. So definitely, we will look at uptick in that.

Saurabh Shah: Which segments do you see the highest growth coming from, which has really reflected yet in the order book, but in terms of new tenders being put out, where do you see most relevant growth for the business in the next two or three years?

N. Venu: The next growth segments are very clearly we have been articulating; one is that the rail segment is definitely a big growth, rail segment one is that cross country, one is that India's railways

ambition of net zero by 2030, so that is accelerating 100% electrification of the rail. So that is a definite growth area. In addition to that, we see also the cross-country electrification and we see a regional rail and then also we see some of the metro rails, today if you really look at metros, there are power systems, data systems. So that is definitely a growth area for us. And then one more big area where we are yet to see is the high speed rails. So those are very big projects and that will really see a huge amount of growth in the rail that is the one segment. And the renewable continue to have the growth. As you know, the Government of India's target is to have 450 GW by 2030. So even if you take factors, so we need to do at least two to three times more than what we have been adding in the renewable bag. So, that is a huge amount of opportunity and growth for us. And then the data center is also a high growth segment with the data privacy laws coming in. So this has quite a high growth thing in addition to our traditional thing. As and when the industry CAPEX starts, so we will see those things are also coming up.

Saurabh Shah: You mentioned the three growth segments and this COVID kind of headwinds going away. So, what kind of margin profile do you see because year-on-year, again, we see a slight dip in the margins, from 7.2% to 6.5%, this is operational EBITDA do you see things the new kind of orders in renewables, you mentioned data centers and all that where it sounds like they are certainly much more private sector-oriented, do you see better margins going forward on a sustainable basis?

N. Venu: Again, we don't give a forward-looking statement but we have been always saying that we have a clear strategy and plans in place to take the operational EBITDA to a double-digit range over a period of time in a sustainable manner.

Saurabh Shah: I know it's not a statement of when it will happen, but what would be your target – would you see in the next year, two years, how do you see that?

N. Venu: Next two, three years.

Moderator: The next question is from the line of Kunal Sheth. Please proceed with the question.

Kunal Sheth: I just wanted to understand what can be a growth rate in each of our end market if I were to think from a five year perspective and therefore how should we think about ABB Power growth rate in that time period? What I am trying to understand is that as we understand apart from data center, the metros, the renewables are anywhere between 5% to 10% kind of a growth market if I understand correctly, I would love to hear your thoughts on this one? And what should be the multiplier at which ABB Power can grow over with market boom?

N. Venu: Again, we will give you a bit of pointers for you to make an assessment. So we are very consistently saying that our strategy is to grow higher than the market. The market is growing at a percentage and we want to grow ahead in the market because we are taking a lot of proactive actions. So, some segments are growing high single digit right now and we see they are slowly moving to close to double digit as economy going up and also the headwinds from COVID will slowly recede. So all these factors put together, these segments will start moving towards high

double digit side. So, that is what our assessment is. We also see energy transition is a big thing coming in addition to the thing what we talked about and energy transition is enabled with a lot of investments in the grids, in the power systems, just to quote a one, recently International Energy Agency who released the report India-specific. As per them, to take care of this kind of challenges and the growth elements, India needs to add the power system the size of European Union. So, that's a kind of the growth levers we are seeing in view of the decarbonizing, energy transition, interconnections, HVDC, etc. I have been also telling you maybe we are a very few companies, we never stop investing even during the COVID. So, as we are talking, our investments are going in various factories, close to Rs.250 crores worth of investments are happening, localization, expanding our portfolio, not only for the local market but also to the exports.

Kunal Sheth: Sir, would it be possible to put a price to each of our end market, a very rough number?

N. Venu: No, we have not been giving those prices, Kunal.

Kunal Sheth: My second question is pertaining to ABB India and Hitachi Power. If you can help us refresh the difference in end markets that we are catering to especially I wanted to understand from a context of spaces where there are applications for LV and HV where both can participate. Do we collaborate or how does that relationship work?

N. Venu: Our end customers are very clearly defined. They are utilities, industries infrastructure transport and also the new segment such as data centers, mobility and renewable integration, etc., So a whole of our company portfolio lies on four businesses, i.e., high voltage, grid automation, transformers and then grid integration. Grid integration we mean is the substation, the HVDC, the power quality and then eMobility is part of our grid integration and then the grid automation, where we talk about substation automation, then SCADA, asset performance, all are in that. So, there are some areas. This is our portfolio and in markets very clearly defined. So, there are areas where take for example, a data center, when a customer approaches with both high voltage and electrification. So we do coordinate, wherever possible but there is no compulsion on us that we have to only grow with some X or Y in that. While there is an anti-competition from ABB to us, but there is no reverse anti-competition clauses there with us. So we are free to offer our things. But having said that, we will try to wherever possible to collaborate and co-create these kinds of things.

Kunal Sheth: If I understood it rightly there are certain products which are overlapping in terms of where both you and ABB India are present. Our understanding was that the portfolios are clearly defined and bifurcated into different end markets, LV, HV?

N. Venu: There are no products or overlapping between us and our previous company, Kunal. So all the products are clearly distinctly different. So what you are talking about is application, take for example, data center. So what our previous company can do and what we can do, there may be some overlapping here, but other than that the products are very clearly defined and segregated.

- Moderator:** The next question is from the line of Renu Baid. Please go ahead.
- Renu Baid:** I have a few questions. My first question is on the performance. If we remember right, in 2Q, we had almost Rs.200 crores of slippages in revenue due to COVID second wave. In the second quarter, we were expecting relative improvement in the pace of execution; however, again, because of supply chain challenges, Rs.54 crores short of expectations because of these constraints. So, effectively, are we somewhere looking at execution pace slowing down for us for external matters or we are also seeing customer readiness to accept these deliveries being soft. And by when should we expect revenues coming back to close to the Rs.1,000 crores level in terms of the overall trajectory, if you can help us give some more insights on this?
- N. Venu:** It's kind of different set of challenges in this quarter and that's the reason we did miss it, but from a customer side, I don't see any of those limiting factors because I see many of the customers are in fact asking us to accelerate the pace of executions, etc., in that. There could be single digit percentage of the customers not lifting because we also have strict cash over revenue policy. That even though if customers were ready, our materials are ready until customers pay, we will not be in a position to ship it. So that always has a single digit percentage thing is there. But having said that, we do believe that the customers looking at taking the material, we are cautiously optimistic to come back to the pre-COVID level what you are talking about in this quarter onwards.
- Renu Baid:** But at least do you see the headwinds on execution and because of this external reason easing out from 3Q, 4Q onwards as we are already in the second half of the fiscal year or they might continue for some more time?
- N. Venu:** Headwinds especially on the ports, etc., I don't think it will go away overnight or in the next couple of months or just like that, but what we have also taken action is the better planning, better booking of the ships well in advance, taking extra actions to book those kind of things. So those actions in our view should mitigate that problem.
- Renu Baid:** Secondly, with the transition to Hitachi Energy, how far are we now with respect to complete control coming in the hands of Hitachi and if you can share in terms of by when are we expecting the closure of the overlap of tech and IT charges which we have with ABB? And also by when do you think should the remaining 20% acquisition of the stake happen in the JV by Hitachi globally?
- N. Venu:** You asked three questions, Renu. On the transitions to Hitachi Energy, as I told you, I have shown in my last slide, globally, we have done on 13th of October. So, we have completed...when I say completed means our name globally has changed from Hitachi ABB Power Grids to Hitachi Energy . So that is what the accord is. So there is no change of a strategy, there is no change of our line of business, there is no change of our way in which we serve our customers, etc., It will continue to be run by us.

- Renu Baid:** No, not from the business perspective, but just from a three year transition of that from a JV structure of Hitachi portfolio?
- N. Venu:** So that is one. Second, when it comes to India, I also told you it is under process, so we will slowly come to that. Second, Hitachi ABB Power Grid joint venture which was supposed to be for three year period, that is we started last year; 2020 July and it will go up to 2023. So until that, the remaining 19.9% stake which ABB was holding it, they will retain with that. And please note this minority stake is only at the global level. So that is for a three year period and it will stay there. The third is IT cost you are talking about. As you know, we have already explained last time, right now we are under the TSA exit cost, ABB is providing the IT services support, but at the same time parallelly we are building our own state-of-the-art world-class REIWA system globally and those things will continue until 2023.
- Renu Baid:** Those overlap of the cost will continue until this JV structure of 80:20 continues with ABB, right?
- N. Venu:** Correct.
- Renu Baid:** On the business side, two things; a), you mentioned the transport industry is now at almost 50% of the orders that we have. How large have we now scaled up in terms of revenues and were expecting that this portfolio from a long-term will slowly be 50% or higher, so is this mix broadly look sustainable for us in revenue terms as well? Secondly, on power quality, where you highlighted compared to some of the other focus areas, power quality witnessed some decline. So is this more because of the timing of the opportunity coming in the end market with the customer and delay in revenues or probably we have seen increased competitive pressures or probably loss of some orders due to competition?
- N. Venu:** Power quality in our view is purely a timing perspective. That's one. And then to your first question, industry's growth is sustainable. We were saying especially on the transport and industry side. And I was also telling you in the beginning to another colleague that one of the high growth segments where we are looking at is transport and we will see a multi-year growth with so many drivers I talked about in that. So basis which and also slowly the industries are making a small, small CAPEX and with that we should be in a position to see if not at least 50% but a very high visibility of this.
- Moderator:** The next question is from the line of Umesh Rawat. Please go ahead.
- Umesh Rawat:** My first question is related to the gross margin for the quarter which is at around 41% which has increased on a year-on-year basis despite raw material prices has gone up significantly. So, any particular reason why gross margin has improved year-on-year despite the commodity variations going against us?
- N. Venu:** Our CFO, Ajay. You are on the call?

- Ajay Singh:** Yes. Let me give a color to this. So in the current quarter if you see compared to the earlier quarters, our gross margin improvement has mainly come because of the product mix. It is a product mix that is helping us for the gross margin improvement. Compared to the earlier quarters, if you see our exports and service has improved, that is also contributing for the gross margin improvement. But largely if you see, it is on account of the product mix.
- N. Venu:** Just to add to our CFO, we are showing this Slide #9 continuously, how our strategy is to go towards more products services and software and those kinds of things. You can see that our products services has much more bigger share of wallet than the projects. So, that's also our strategy to move towards high growth segments and also towards a good margin segments.
- Umesh Rawat:** So going forward, do you see structurally our gross margins remaining above 40% or consistently improving because we are targeting higher share of revenues from exports as well as from services?
- N. Venu:** I don't want to put a target on the gross margin. As I told you, we have taken a target ourselves to come to operational EBITDA of double digit margins. So that is what is our endeavor to do that. So, we will do all that. We will also do operational improvement. We will also look at the gross margin improvement by adding on value added digital, service, etc.,
- Umesh Rawat:** My second question is if you can share some light on the competitive intensity right now especially since last three, four quarters because one of the domestic players is coming back aggressively in the market into the power products and systems?
- N. Venu:** When it comes to the competition, we have seen all these players before also, we will also see players after that. And our view is that competition is good for the sector, for our customers.

of the renewable even more in that. So basis which we also said that we believe at least one HVDC project to come for bidding in the market for one per year at least for the next three to four years. This is what we have been telling and we are consistent in that. While we are talking one project is under bidding and there are other couple of projects under various stages of approval to come for bidding and that's exactly where it is. So basis which we are taking a lot of actions here to localize some of the equipments and bring more skills and improve our efficiencies, etc., to take care of those things whenever it is available for us, that's number one. Number two is on the high speed rail. Now, we are part of the Hitachi's ownership. So we do qualify for this wherever the Japanese fund is there as a step component as part of wherever our portfolio comes, that's called as a step component, we do qualify for the step component of those projects, and we are working with our company in Japan on this HSR basically the high speed rail project, Ahmedabad to Mumbai and right now as you know the civil has been awarded and then the work is going on. So these electrical and the balance of systems, SCADA and things like that will come maybe in the next year or something like that.

Moderator: The next question is from the line of Jeetu Panjabi. Please go ahead.

Jeetu Panjabi: I have got a few pointed questions at a high level, right. So, I heard you say that you expect to grow faster than industry. I would love to understand how you articulate your competitive advantages to do that? Two, when you sit down with the Japanese Hitachi bosses over there, how would they calibrate success for this company in India and how would you personally calibrate success in your eyes as well and what would be the most difficult part of the journey to get there?

N. Venu: Very good questions. On the competition side, our competitive advantage which you talked about, as I told you, we are continuously investing in localization of the footprint, investing also to bring our products which so far we are using complete imported products to localize it and third one is we are also improving the skill sets of our people because the shift in the energy transition is making the total portfolios totally different, digital, artificial intelligence base and so on and so forth in that. So, that's the reason we are saying that we are able to take care of the competition with this kind of multiple actions already in place both localizing it and then broadening our portfolio and in addition to that exports also one of our key strategies we set, exports is over a period of time will go to 20%-25% and I am happy to tell you that within the nine months period we already were more than 20% of exports in that. So, that is how our overall competitive advantage in that. So, how do you see the success from our shareholders standpoint or our global shareholders? It's a very important for us to know that how do we increase our shareholders value and how do we improve our customers processes, efficiencies, how do we decarbonize it, how do we ensure that we bring the more diversity, all these things is part of our KPIs which is also part of our global shareholders who will see the success of that. Sustainability, I talked about is a key important element, right. We are a technology player, decarbonizing the whole of energy system. So we have to set ourselves as a benchmark. So that's the reason we announced that by 2030 we want to be carbon neutral in all operations. In that the first step is by end of this fiscal year, all our factories, project sites, offices will be powered through 100% fossil fuel. So these are the things we are setting ourselves as a target so that we are able to walk the

talk on this and able to set ourselves as a benchmark in that. So, we also started a committee of the board of directors on the ESG. All these things are quite important in the decarbonizing efforts of the energy systems. So the success is stakeholders' value and taking care of our customers' things and our people.

Jeetu Panjabi: I think the one part is what in this journey will be the most difficult part that indulge you from getting there or what will be the biggest challenge to overcome you have to get there?

N. Venu: The biggest challenge is that we always have this kind of uncertainties like we have seen the COVID wave-1, wave-2, we see a sudden logjams in the port, etc., these are the uncertainties we have to face, so we got to be more resilient, able to take care of those kind of things.

Moderator: The last question is from the line of Priyank Chheda. Please go ahead.

Priyank Chheda: I understand you have been elaborating every quarter. As to how the synergies between Hitachi India and Hitachi global parent has been improving, if you can help us understand more into how the business prospects have changed and particularly if you can highlight on how the business share on the Lumada platform progress on that?

N. Venu: Again, we have been saying that we started this synergies only after we became part of the Hitachi ownership, because until that it was anti-trust, we were not supposed to exchange and share the information. So we started doing that and the low hanging fruits were high speed rail and those kind of things we are working very closely with them and seeing the movement on the ground is going very well. We also said that Hitachi has invested very heavily on the IoT platform, is very respected IoT platform globally. We would like to leverage that IoT platform and offering our enterprise software suits on IoT platform. So we have been also discussing and doing some pilots here and there and making a progress in that. So we have very clear milestones on that. So we are on track as far as those synergies are concerned.

Moderator: Ladies and gentlemen, that was our last question for today. I would now like to hand the conference over to Mr. N. Venu, Managing Director and CEO, ABB Power Products and Systems India Limited for closing comments. Thank you and over to you, sir.

N. Venu: Thank you, operator. Once again, ladies and gentlemen, a very big thank you for your patience and taking time from your busy schedule on attending to this conference call. Please reach out to us if you need anything, we are happy to provide and engage with you. And we will be looking for the upcoming investors call. Hopefully, we will see each other face-to-face. And until that please take care, stay safe and also I take this opportunity to wish you all a very happy festival season, Happy Diwali. Thank you.

Moderator: Ladies and gentlemen, on behalf of ABB Power Products and Systems India Limited, that concludes today session. Thank you for your participation. You may now exit the meeting.