

**PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED UNDER REGULATIONS 3(1), 4 AND 5(1) READ WITH REGULATION 13(2)(e) AND REGULATION 15(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO**

**Open offer by ABB Switzerland Ltd (“Acquirer 1”) for the acquisition of up to 1,05,95,419 fully paid up equity shares of the face value of INR 2 each, representing 25.00% of the Voting Share Capital (*as defined below*) of ABB Power Products and Systems India Limited (“Target Company”) from all the Public Shareholders (*as defined below*) of the Target Company (“Open Offer” or “Offer”). The Open Offer is being made along with Hitachi Ltd. (“Acquirer 2” and along with Acquirer 1, the “Acquirers”), and ABB Management Holding AG (“PAC 1”) and ABB Ltd (“PAC 2” and along with PAC 1 the “PACs”) acting in their capacity as persons acting in concert with the Acquirers (“Open Offer” or “Offer”).**

This public announcement (“**Public Announcement**”) is being issued by ICICI Securities Limited, the manager to the Offer, for and on behalf of the Acquirers and the PACs to the equity shareholders of the Target Company excluding the promoters, members of the promoter group of the Target Company, parties to the SPA (*defined below*), the Acquirers, the PACs and persons deemed to be acting in concert with such parties (“**Public Shareholders**”), pursuant to and in compliance with Regulations 3 (1), 4, and 5 (1) read with Regulations 13 (2) (e), 14 and 15 (1), and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”).

For the purpose of this Public Announcement, the following terms have the meanings assigned to them below:

“**Tendering Period**” has the meaning ascribed to it under the SEBI (SAST) Regulations;

“**Voting Share Capital**” means the total voting equity share capital of the Target Company on a fully diluted basis expected as of the 10th (Tenth) Working Day from the closure of the Tendering Period for the Offer; and

“**Working Day**” means any working day of the Securities and Exchange Board of India.

## **1. Offer Details**

- 1.1. **Size:** The Acquirers and the PACs hereby make this Offer to the Public Shareholders to acquire up to 1,05,95,419 fully paid up equity shares of the face value of INR 2 each of the Target Company (“**Offer Shares**”), constituting 25.00% of the Voting Share Capital at a price of INR 851 per Offer Share aggregating to a total consideration of up to INR 901,67,01,569 (assuming full acceptance), subject to the terms mentioned in this Public Announcement, the detailed public statement and the letter of offer to be issued in accordance with the SEBI (SAST) Regulations.

- 1.2. **Offer Price:** INR 851 per Offer Share (“**Offer Price**”) which has been determined in accordance with Regulation 8(4) and other applicable provisions of the SEBI (SAST) Regulations. Assuming full acceptance of the Offer, the aggregate consideration payable to the Public Shareholders in accordance with the SEBI (SAST) Regulations will be up to INR 901,67,01,569.
- 1.2.1. The Target Company received listing and trading approval from BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) on March 25, 2020. The equity shares of the Target Company will commence trading on BSE and NSE from trading hours on March 30, 2020 and as such, there is no trading history in the equity shares of the Target Company before the release of this Public Announcement. The minimum offer price is calculated in terms of Regulation 8(4) 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:
- a. *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.*
  - b. *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.*
- 1.2.2. Accordingly, the Offer Price in terms of Regulation 8(4) of the SEBI (SAST) Regulations is INR 851 per equity share which is the higher of the above mentioned values.
- 1.3. **Mode of payment (cash/ security):** The Offer Price will be paid in cash by the Acquirer 1 and/ or the PACs in accordance with Regulation 9 (1) (a) of the SEBI (SAST) Regulations.
- 1.4. **Type of offer (Triggered offer, voluntary offer/ competing offer etc.):** This Offer is a mandatory offer in compliance with Regulations 3 (1), 4 and 5 (1) of the SEBI (SAST) Regulations. The thresholds specified under Regulation 5 (2) of the SEBI (SAST) Regulations are not met. This Offer is not subject to any minimum level of acceptance.
- 2. Transaction which has triggered the Offer**
- 2.1.1. 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 and a wholly owned subsidiary of PAC 2. The Target Company is engaged in the power

grids business. The equity shares of the Target Company will be listed on March 30, 2020 on the BSE and NSE in accordance with the scheme of arrangement between ABB India Limited and the Target Company.

- 2.1.2. Pursuant to an agreement dated December 17, 2018 between PAC 2 and Acquirer 2 (“SPA”), PAC 2 has agreed to transfer the global power grids business, in which it is engaged, as a going concern. In terms of the SPA, the global power grids business of PAC 2 (including the equity shares of the Target Company, as set out in paragraph 2.1.3 below) 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.
- 2.1.3. 100% of the equity share capital of PAC 1 is currently held by PAC 2. It is proposed that 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 (including the Target Company) (“Closing”) and subsequently, the equity shares of the Target Company are anticipated to be transferred to PAC 1, (together, the “Underlying Transaction”), all subject to the satisfaction of various conditions precedent including receipt of customary regulatory approvals such as antitrust clearances, including from the Competition Commission of India, and other governmental approvals and the successful completion of the conditions set out in the SPA.
- 2.2. This Offer is accordingly being made as an indirect offer in compliance with Regulations 3 (1), 4 and 5 (1) of the SEBI (SAST) Regulations. Pursuant to the SPA, Acquirer 1 will acquire the shares tendered by the Public Shareholders of the Target Company pursuant to this Offer. It is clarified that Acquirer 2 will not acquire the shares tendered by the Public Shareholders of the Target Company pursuant to this Offer.
- 2.3. Given below are the details of the Underlying Transaction:

Details of Underlying Transaction						
Type of Transaction (direct/ indirect)	Mode of Transaction (Agreement/ Allotment/ market purchase)	Shares/ Voting rights acquired/ proposed to be acquired		Total Consideration for shares/ Voting Rights (VR) acquired	Mode of payment (Cash/ securities)	Regulation which has triggered the Offer
		Number	% vis a vis total equity/ voting capital			
This is an indirect acquisition and not a deemed direct acquisition.	PAC 2 and Acquirer 2 have entered into the SPA for the Underlying Transaction.	3,17,86,256 *	75%*	Not applicable as this is an indirect acquisition.	Not applicable as this is an indirect acquisition.	Regulations 3 (1), 4 and 5 (1) of the SEBI (SAST) Regulations.

\* This is the shareholding that PAC 1 will hold after completion of the Underlying Transaction.

### 3. Acquirers and PACs

Details	Acquirer 1	Acquirer 2	PAC 1	PAC 2	Total
Name of Acquirers/PACs	ABB Switzerland Ltd	Hitachi, Ltd	ABB Management Holding AG	ABB Ltd	Not applicable
Address	Bruggerstrasse 66 5400 Baden Switzerland	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8280, Japan	Affolternstrasse 44 8050 Zurich Switzerland	Affolternstrasse 44 Postfach, 8050 Zurich, Switzerland	Not applicable
Name(s) of persons in control/promoters of Acquirers/PAC where Acquirers/PAC are companies	Acquirer 1 is a private limited company. It was incorporated on January 17, 1990 under the laws of Switzerland with company registration number CHE-101.538.426.  Acquirer 1 is a wholly owned subsidiary of ABB Asea Brown Boveri Limited, a company incorporated in Switzerland.	Acquirer 2 is a widely held public company listed on the Tokyo Stock Exchange with no identified promoter. It was incorporated on February 01, 1920 under the laws of Japan with company registration number 0100-01-008844.	PAC 1 is a private limited company. It was incorporated on September 20, 2018 under the laws of Switzerland with company registration number CHE-339.599.331.  As on the date of this Public Announcement, PAC 1 is an indirect wholly owned subsidiary of PAC 2, a company incorporated under the laws of Switzerland.	PAC 2 is a widely held public listed company, with no identified promoter.  It was incorporated on March 05, 1999 under the laws of Switzerland with company registration number CHE-101.049.653.	Not applicable
Name of the Group, if any, to which the Acquirers/	ABB group.	Hitachi group.	As on the date of this Public Announcement, PAC 1 is an indirect wholly owned	ABB group.	Not applicable

Details	Acquirer 1	Acquirer 2	PAC 1	PAC 2	Total
PAC belong to			<p>subsidiary of PAC 2 and comprises part of the ABB group.</p> <p>From Closing, PAC 1 will comprise part of the Hitachi group.</p>		
Pre-transaction shareholding <ul style="list-style-type: none"> <li>• Number</li> <li>• % of total share capital</li> </ul>	Nil	Nil	Nil	Nil	Nil
Proposed shareholding after the acquisition of shares which triggered the Offer <ul style="list-style-type: none"> <li>• Number</li> <li>• % of total share capital</li> </ul>	Nil.	Nil	3,17,86,256 equity shares of the Target Company constituting 75.00% of the Voting Share Capital. *	Nil	3,17,86,256 equity shares of the Target Company constituting 75.00% of the Voting Share Capital.
Any other interest in the Target Company	None	None	None	None	None

\* This is the shareholding that PAC 1 will hold after completion of the Underlying Transaction.

#### 4. Details of selling shareholders, if applicable

Not applicable.

#### 5. Target Company

<b>Name:</b>	ABB Power Products and Systems India Limited.
<b>Registered Office:</b>	8 <sup>th</sup> Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru 560092.
<b>Exchanges where listed:</b>	The equity shares of the Target Company are listed on the BSE (Security ID: POWERINDIA Security Code: 543187) and NSE (Symbol: POWERINDIA).

#### 6. Other Details

- 6.1. Further details of the Offer, including the reasons and background to the Offer, information on the Offer Price, details of the SPA/ Underlying Transaction, information relating to the Acquirers, PACs and the Target Company, and statutory approvals, if any, shall be made available in the detailed public statement, which shall be published not later than 5 working days of the Closing, in accordance with the proviso to Regulation 13 (4) read with Regulation 14 (3) of the SEBI (SAST) Regulations.
- 6.2. The Acquirers and the PACs jointly and severally undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations. They have confirmed that they have adequate financial resources to meet the obligations under the Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25 (1) of the SEBI (SAST) Regulations.
- 6.3. The Offer is not conditional upon any minimum level of acceptance pursuant to the terms of Regulation 19 of the SEBI (SAST) Regulations.
  - 6.3.1. The completion of the Offer is subject to receipt of statutory approvals that may be required which will be set out in the detailed public statement and letter of offer.
- 6.4. This Public Announcement is not being issued pursuant to a competing offer under the terms of Regulation 20 of the SEBI (SAST) Regulations.
- 6.5. All information stated in this Public Announcement relating to the Target Company has been obtained from publicly available sources.

6.6. In this Public Announcement, all references to “INR” are references to the Indian Rupee.

**Issued by the manager to the Offer**



**ICICI Securities Limited**

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**On behalf of the Acquirers and the PACs**

ABB Switzerland Ltd	Hitachi, Ltd.	ABB Management Holding AG	ABB Ltd
<b>Place:</b> Switzerland	<b>Place:</b> Japan	<b>Place:</b> Switzerland	<b>Place:</b> Switzerland
<b>Date:</b> March 29, 2020	<b>Date:</b> March 29, 2020	<b>Date:</b> March 29, 2020	<b>Date:</b> March 29, 2020

