

year's monsoon, corroded DISCOMs' financial health and in turn that of the generation sector, about half of which is in private hands and reeling under a debt burden of its own. To help DISCOMs recover lost cash flow and soften the blow of the pandemic, the government provided an ₹ 90,000 crore lifeline for the power sector earlier in the year. Some states also allowed DISCOMs to put off paying their debts to generators and transmission companies for months to see them through a period when customers were struggling to pay their bills. While that did little to ameliorate their debt-ridden condition, it impacted companies in the generation sector.

By November, GENCOs had ₹ 1.41 lakh crore in pending dues, up from about ₹ 88,000 crore at the start of the year. Withal, despite their dwindling cash-flows, generators were expected to perform national service amid the public emergency by providing uninterrupted power supply. Matters were made worse with the rupee's weakening against the dollar over the past year, raising their cost for imported coal as well as their cost of finance for rolling over their debts.

These economic and market conditions also influenced your Company. Utilities, a major customer segment, was impacted by the steep drop in demand and mounting debt, while other segments such as industry and transport did the heavy-lifting pre-empting future consumption. Due to the lockdown, short-cycle demand plummeted, collections dipped, and system installation and service activities faced mobility restrictions. Your Company saw delays in approvals of transmission corridors stalling transmission projects, leading to a major reduction in extra high-voltage transmission equipment, and also postponements in power and metro projects. All this impacted its orders and revenues in the second quarter.

To cushion the knock-on effect of the pandemic on subsequent quarters, intensive cost mitigation and business continuity measures were put in place which provided marginal support. Operational resilience and effective use of digital technologies ensured business resilience and your Company was able to book major orders from industry and rail. While your Company worked to mitigate the impact of the crisis, achieve better liquidity and cash position, its top focus remained the safety of its employees and customers.

In accordance with the nationwide lockdown, your Company's shop floors, project sites and offices were shut for more than 30 days. Your Company resumed operations end of April as per the Ministry of Home Affairs' directives in a staggered manner, with due safety guidelines. However, the disarray in supply chain continued and some of the big-ticket projects were impacted by the mass exodus of migrant workers.

To meet timelines, your Company commissioned some projects remotely, and executed remote factory acceptance tests (R-FATs) to help customers stay on track with their projects. Your Company conducted numerous technical webinars, attended by several hundred customers virtually, on technologies that can aid a greener and sustainable post-COVID-19 economic recovery.

Your Company's investment in its people, its strategic business continuity measures, its continued customer engagement, and adaptation to the new norm began yielding results by the third quarter. Your Company could see some semblance of normalcy in business activity and demand, revenue moving closer to pre-pandemic levels. Your Company retained its focus on its fundamentals to build on existing opportunities and make headway into its carefully chosen high-growth segments such as grid automation and rail. Many of these will drive business growth in the years ahead. Also central to your Company's vision were the United Nations Sustainable Development Goals, notably Goal 7 for affordable and clean energy.

In the coming decade, your Company sees technology developments and economic advantages strongly intertwine with Government's ambition to put India in a position to transform its electricity sector, make India an EV manufacturing hub, achieve the net-zero carbon-emitter status for the Indian Railways and build strong local capabilities and skills-set. The push on adoption of advanced digital technologies such as big data and artificial intelligence to curb emissions and improve efficiency, including the digital solutions pioneered by your Company, is projected to continue and opens a vast untapped market.

## Business overview

Electricity will soon form the backbone of our country's entire energy system. Foreseeing the same, ABB Power Products and Systems India Limited was listed on national stock exchanges – National Stock Exchange and Bombay Stock Exchange – in March 2020. By July 2020, globally we commenced operation as Hitachi ABB Power Grids in which Hitachi holds an 80.1 percent stake and ABB, the balance. The joint venture (JV) brought together two highly respected companies to create a global power leader, with a combined heritage of 250 years in pioneering technologies. It opened expansion opportunities for the power grids business in areas such as mobility, industry and energy storage, besides providing financial muscle to support ambitious projects and enabling access to Japan, the third largest economy in the world.

By leveraging capabilities in digital platforms, combined with your Company's energy platform and with a focus on intelligent grids, Hitachi ABB Power Grids pushed into the fifth gear its journey to enable customers to increase resilience and efficiency, and unlock new business models. Your Company leapt forward, driven to power good for a sustainable energy future with its pioneering and digital technologies, striving to create a stronger, smarter, and greener grid.

Your Company committed to creating value in emerging areas like sustainable mobility, smart cities, energy storage and data centers, through its four businesses - Grid Automation, Grid Integration, Transformers and High Voltage Products. Packed with an extensive portfolio of smart solutions ranging from Renewable Integration and Energy Storage, through Enterprise Asset Management and e-Bus Charging, to Energy Service, IT,