Annual report
2019

ABB AT A GLANCE

ABB is a leading global engineering company that energizes the transformation of society and industry to achieve a more productive, sustainable future. By connecting software to its electrification, robotics, automation and motion portfolio, ABB pushes the boundaries of technology to drive performance to new levels. With a history of excellence stretching back more than 130 years, ABB's success is driven by 144,000 talented employees in over 100 countries.

abb.com/in

Annual Report 2019
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2019: Sustained profitable growth

Highlights

- Resilient and diversified business model supports performance
- Sustained running of the business while undertaking transformation
- Ongoing systematic portfolio management by localizing best in class global technology
- Revenue growth across emerging segments
- Solid cash position

Key figures

- Full year orders grew by 4%
- Revenue by 9% and PAT by 39% (excluding exceptional items)

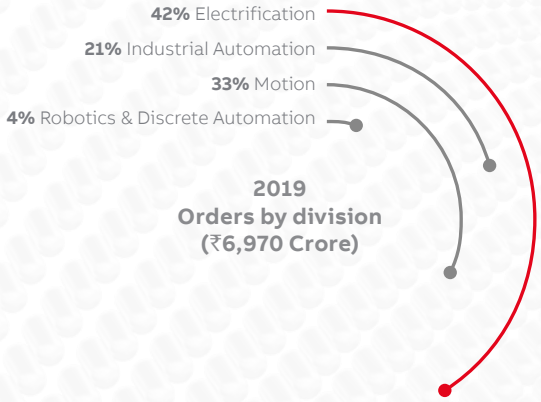
Board recommends full-year dividend of 240% per share

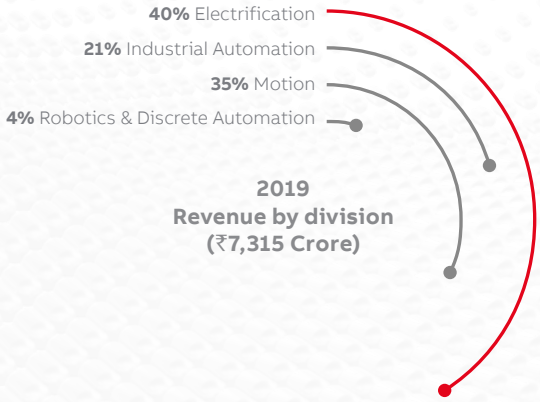
Five-year trajectory

(₹ in Crores)

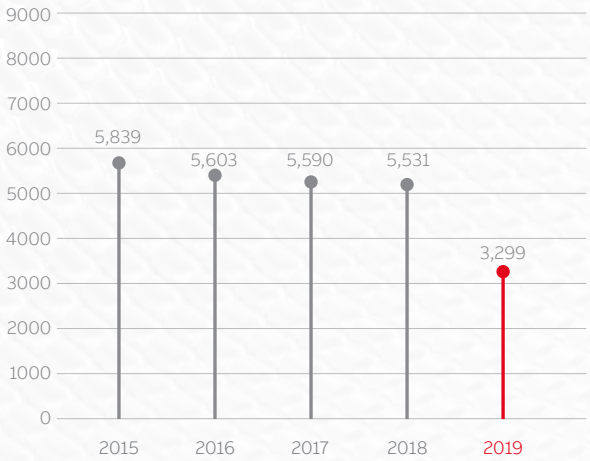
Description	2019	2018	2017	2016	2015
Sources of Funds					
Shares capital	**42**	42	42	42	42
Reserves	**3,478**	3,965	3,565	3,245	2,966
Net worth	**3,520**	4,007	3,607	3,287	3,008
Borrowings	**14**	7	608	600	600
Funds employed	**3,534**	4,014	4,215	3,887	3,608
Income and Profits					
Revenue from operations	**8,210**	10,862	9,087	8,642	8,140
Operating profit before Interest and depreciation	**648**	1,017	857	816	713
Profit before tax and exceptional	**515**	794	622	573	475
Profit before tax and after exceptional	**446**	794	622	573	475
Profit after tax	**303**	511	420	374	300
Dividend/Dividend tax	**123**	112	102	94	94
Retained earnings	**180**	399	318	280	206
Other data					
Gross fixed assets	**1,047**	1,669	1,642	1,474	2,071
Debt equity ratio	**0.00:1**	0.00:1	0.17:1	0.18:1	0.20 :1
Net worth per equity share-Rs	**166**	189	170	155	142
Earnings per equity share-Rs	**14**	24	20	18	14
Dividend per equity share-Rs	**4.8***	4.8	4.4	4.0	3.7
Profit after taxes as % to average net worth	**8**	13	12	12	10
Orders received	**6,970**	10,115	9,490	12,466	8,100
Orders backlog	**4,123**	10,111	11,534	11,821	7,946
Number of permanent employees	**3,299**	5,531	5,590	5,603	5,839

Note:
Figures for 2019, 2018 and 2017 are as per IND AS and for earlier periods as per IGAAP and hence not directly comparable. These figures also include performance of Power Grids Business, which has been disclosed as the discontinued operations in the Financials section.
* Proposed dividend

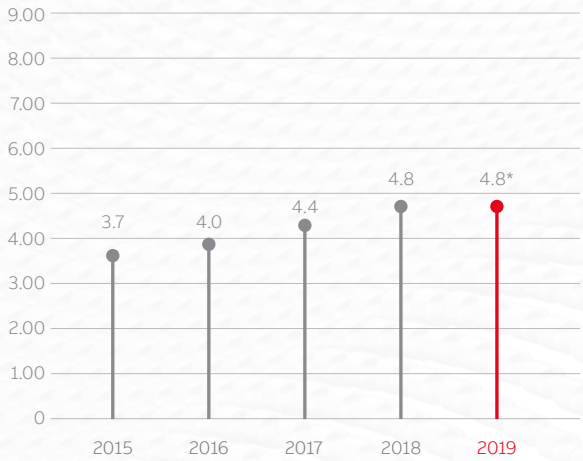




Number of employees



Dividend (₹ per share)



* Proposed dividend

Key achievements of 2019

ABB technology solutions are an integral part of the largest single location lift irrigation project in Telangana

ABB provides modular electrification solutions for metro projects around the country

01
Mega projects of nation building

Commissioning of largest single location lift irrigation project in the world at Kaleshwaram with ABB technology solutions like mega motors, drives, relays

02
Digital technology to monitor and track precious natural resources

Smart power distribution technology to monitoring water supply networks and gas transportation for select smart and metro cities

03
Driving sustainability and electric mobility solutions

Traction solutions for Indian Railways and modular power distribution equipment for metros

04
Emerging sectors as business catalysts

Businesses gain traction from emerging segments like data centers, smart infrastructure and transport to food and beverage

05
Next level growth with digitalization for Indian industries

- First of its kind digitalization orders in cement, mining, marine & data storage company applications
- Automating paint shop operations for an automobile giant using an industry first IoT enabled solution

06
Introducing best in class global technology portfolio

Industry leading products launched with digitalization features including Emax2 and IE4 motors

—
Awards won by ABB India in diverse areas of business demonstrated by India Wind Energy Forum Award and Working Mother and Avtar 100 best companies for women

07
Energizing the start-up eco-system

Organized select Indian startups to work with ABB's Swedish accelerator program - Synerleap

08
Building a diverse workforce of the future

Partnered with Lila Poonawalla Foundation to fund scholarships for meritorious female engineering students

09
Awards and accolades

- ABB Motion business recognized as 'wind generator manufacturing company - 2019' by India Wind Energy Forum
- Won the 2019 Working Mother and Avtar Award for being among the best 100 companies for women in India

10
Sustainable operations

- ~26% of total energy is sourced from renewable energy in 2019
- ~90% of waste generated is recycled

—
We work with partners to provide mobile healthcare units which improve access to quality healthcare in remote areas

Country Management Committee

From left to right
Ramankumar Singh Country Human Resources Officer
G Balaji Industrial Automation
Sanjeev Arora President – Motion
CP Vyas President – Electrification
Sanjeev Sharma Managing Director
TK Sridhar Chief Financial Officer
B Gururaj General Counsel & Company Secretary
Subrata Karmakar President – Robotics & Discrete Automation

Company Information

Board of Directors
Jean-Christophe Deslarzes Chairman
Sanjeev Sharma Managing Director
Nasser Munjee
Darius E. Udwadia
Renu Sud Karnad
Tarak Mehta (upto 19.06.2020)
V K Viswanathan (w.e.f. 13.11.2019)
Diane de Saint Victor (w.e.f. 13.11.2019)
Morten Wierod (w.e.f. 19.06.2020)

Audit Committee
Nasser Munjee Chairman
Darius E. Udwadia Member
Renu Sud Karnad Member
Tarak Mehta Member (upto 19.06.2020)
V K Viswanathan Member
Diane de Saint Victor Member
Morten Wierod Member (w.e.f. 19.06.2020)

Stakeholders Relationship Committee
Darius E. Udwadia Chairman
Renu Sud Karnad Member
Sanjeev Sharma Member
Diane de Saint Victor Member

Nomination and Remuneration Committee
Nasser Munjee Chairman
Renu Sud Karnad Member
Jean-Christophe Deslarzes Member
V K Viswanathan Member

Corporate Social Responsibility Committee
Renu Sud Karnad Chairperson
Sanjeev Sharma Member
Tarak Mehta Member (upto 19.06.2020)
Morten Wierod Member (w.e.f. 19.06.2020)

Risk Management Committee
Nasser Munjee Chairman
Jean-Christophe Deslarzes Member
Sanjeev Sharma Member
V K Viswanathan Member
T. K. Sridhar Member

Auditors
Messrs B S R & Co. LLP
Chartered Accountants
Embassy Golf Links Business Park
Pebble Beach, B Block, 3rd Floor
Off Intermediate Ring Road
Bengaluru - 560 071, India

Chief Financial Officer and Chief Investor Relations Officer
T. K. Sridhar

Cost Auditor
Ashwin Solanki & Associates
Cost Accountant
D/104, Koyna, Shantivan Near National Park Borivali (East), Mumbai - 400 066

Secretarial Auditors
Messrs BMP & Co. LLP
Company Secretaries
No. 926, 20th Main BSK 2nd Stage
Bengaluru - 560 070

Company Secretary and Compliance Officer
B. Gururaj

Registered Office
21st Floor, World Trade Center
Brigade Gateway
No.26/1, Dr. Rajkumar Road
Malleshwaram West
Bengaluru - 560 055

Registrar and Share Transfer Agents
KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
No.59, Skanda, Puttanna Road
Basavanagudi
Bengaluru - 560 004

Bankers
Axis Bank Limited
Bank of America, N.A.
Bank of Bhutan Limited
Deutsche Bank AG
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
JP Morgan Chase Bank, N.A.
Standard Chartered Bank
State Bank of India
The Hongkong and Shanghai Banking Corporation Limited
Yes Bank Limited

Corporate Identity Number
L32202KA1949PLC032923

01
Statutory Reports

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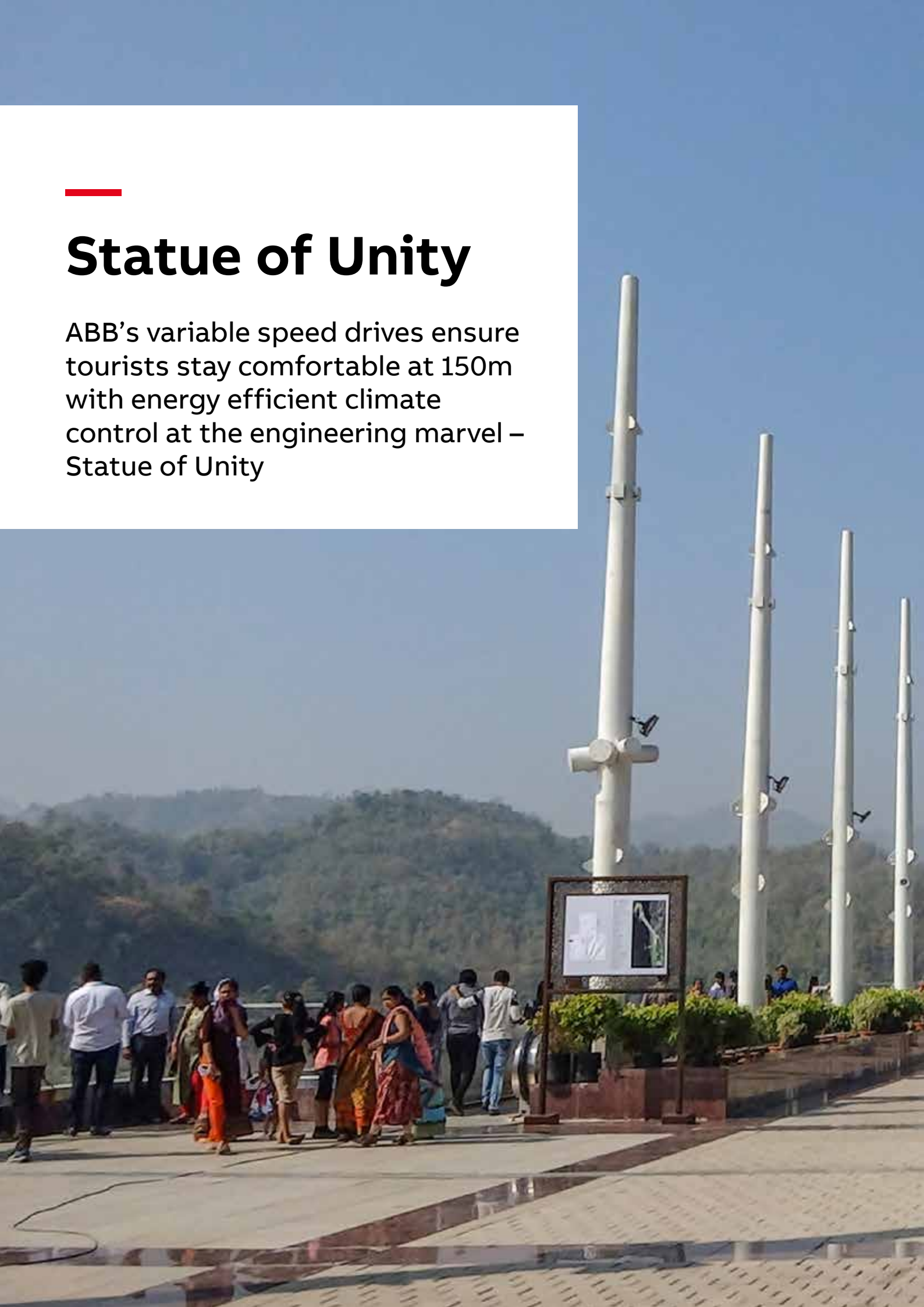
097 **MD / CFO Certificate**

Statue of Unity

ABB's variable speed drives ensure tourists stay comfortable at 150m with energy efficient climate control at the engineering marvel – Statue of Unity



Business Responsibility Report 2019

Sustainability across the business

The Company contributes to a sustainable world by its very products and services. Its sustainable contributions are across several areas including smart cities, sustainable mobility solutions, bringing in automation and energy efficiency in core manufacturing and utility sectors thus aiding the country's sustaibility journey. The Company's in-house sustainability efforts are in terms of sustainable production processes and practices across its operations.

During the year, the Company was associated with major projects of nation building while also providing technology solutions to various industrial sectors. The Company's state of the art mega synchronous motors, drives, control relay panels, switchgears and breakers drive the world's largest, single location lift irrigation project in Telangana namely Kaleshwaram, which will improve water availability for farmlands and bring clean water to millions. The Company's building automation solutions, that converts buildings and living spaces into intelligent, connected, energy optimized facilities are now powering one of the country's biggest hospitality chain properties in New Delhi, Kolkata and Amritsar.

In the mobility segment the Company's traction technology was provided to new age locomotives of the Indian railways. The Company's electrification panels and Gas Insulated Switchgears have ensured consistent power distribution to Nagpur and Mumbai metros. To ensure reliable supply of power to critical installation like airports, the Company's TruOne® automatic transfer switches (ATS) ensures starting of backup generator, load switching and then reversing to original process, all is done seamlessly, and these have been put in place at Mangalore and Bengaluru airports in the country. The Company also innovated on chargers for Jaguar I-Pace electric racing chargers to enable smoother journey across multiple e-racing locations around the world.

The Company's drives and smart sensors ensure optimized energy requirements from leading Indian food chains to major steel and power plants. The Company's remote condition monitoring of electrification panels was deployed at the country's tyre manufacturing giant to enhance productivity and minimize downtime. A range of Company's automation, supervisory control and data acquisition (SCADA) systems along with blending and instrumentation applications are being provided to Oil and Gas sectors in the country. During the year, application of robotics was expanded to take productivity to the next level for FMCG majors and machine automation companies. The Company is a partner of choice for Indian and Japanese Original Equipment Manufacturers (OEMs) and has also maintained leadership position in automation solutions for 2-wheeler customers.

The Company's technology plays a significant role in smart cities of the future to make power distribution more efficient in cities like Ranchi and Ujjain and powered key routes of tourist interest like Vaishnodevi in Jammu and Kashmir with compact power substations. The Company's gas monitoring solutions were installed in cities like Mumbai and Bengaluru and ensured optimized usage of cleaner fuel. The Company is also contributing to building a smart city in the campus of a premium technology institute as a CSR project.

Sustainability considerations are embedded into the Company's daily business at every stage from product design, to manufacturing, packaging, end of life and product management including vendor assessments. The Health Safety Environment and Sustainability Affairs (HSE/SA) function of the Company guides the strategic direction and delivers effective, efficient services that embed occupational health, safety, environment, security and corporate responsibility and sustainable business practices of the Company. Qualified and experienced HSE/SA professionals at the business level anchor relevant HSE practices alongside programs that are anchored centrally at the corporate level and at the ABB Group level.

To realize global leadership in Sustainability performance, the ABB Group has created a robust and comprehensive HSE/SA management system based on internationally recognized sustainability standards, principles and commitments including ISO 45001 and ISO 14001 called the ABB Way. This system has been initiated to have a common approach leading to increased knowledge and awareness, align businesses to common goals, vocabulary, standards and measurement processes, improve performance in all the functional areas of HSE/SA, drive standardization and efficiencies, avoid duplication of efforts and increase effectiveness of third-party certifications. This system sets clear expectations and the required minimum standards, which is being implemented and embedded into ABB operations across the world including activities of the Company and incorporates an extensive global audit assurance program. This unified management system was rolled out during the year and the target is for the Company to be aligned to the new system by 2020.

The Company has several policies and standards in place to underpin its sustainability core values, covering business ethics and governance, the Code of Conduct, and policies such as the Group Social[1] and Human Rights[2] the Supplier Code of Conduct[3], the Company's Health, Safety & Environment Policy (HSE)[4], ABB Group HSE, Security and Sustainability Policy[5] and the Company's Corporate Social Responsibility (CSR)[6] policies respectively. The various policies are further reinforced by various internal Group directives and instructions which are mandated within the Company's operations, manufacturing locations, project sites and on vendors.

Sustainability objectives and targets

A series of business-relevant sustainability objectives, in consultation with leaders in the business, countries and functions and external stakeholders have been developed by the ABB Group. There are nine objectives currently that reflect the Company's levels of ambition and show how the Company intends to contribute to a more sustainable world. Individual Business relevant targets and key performance indicators are further being developed and rolled out in the Company and across its businesses. The nine sustainability objectives against which performance is monitored and reported:

1. Products and services for a better world
2. Energy efficiency and climate change
3. Safe and secure operations
4. Integrity
5. Human rights
6. People and society
7. Responsible sourcing
8. Resource efficiency
9. Right materials

Progress against the set targets are constantly monitored through internal systems and process along with online reporting channels. Performance is being reported externally in the ABB annual Group Sustainability Report[7] which is consolidated as per GRI guidelines. The Company publishes the Business Responsibility Report (BRR)[8] a per SEBI's requirement for disclosure on key sustainability indicators.

At the Company, Country Sustainability Boards have been established to uphold good sustainability governance and assure compliance with local legislations and ABB Group standards and customer expectations. The Company Boards also discuss review and monitor every quarter on key sustainability performance indicators and decide on action plan if any to achieve the same.

Stakeholder engagement

The Company constantly endeavors to be in dialogue with its key stakeholders through various channels. In recent years, the ABB Group has been carrying out surveys with stakeholders that impact the Company's sustainability strategy and priorities. During the year the ABB Group ran the employee survey seeking inputs from its internal yet important stakeholder on all aspects of the Company's performance.

The Company has consultations with both external and internal stakeholders in a structured and planned way; to seek inputs towards developing the ABB Group Sustainability Objectives for 2014 - 2020. A comprehensive dialogue process was initiated during the year wherein the Company's Business teams ran formalized structured consultations with their identified critical stakeholder across businesses to seek invaluable insights and feedback. The feedback and inputs thus received is being consolidated at the Businesses and at the ABB Group level and this will enable to revisit the materiality matrix as well as in developing the next level 2030 sustainability objectives.

The following are the key identified stakeholders of the Company:

Business	Government	Civil society
Customers	Government and regulators	International organizations
Suppliers	Legislators and the law	Local communities
Investors	Trade bodies	Academia and scientific community
Employees		Media
Competitors		NGOs and civil society organizations Trade unions

The Company in the year had several interactions with state and central ministries like Minister of Electronics & Communications, Niti Ayog, Railway Ministry and had detailed interactions with these stakeholders and highlighted capabilities and products such as high efficiency turbocharger, SCADA, HVDC, Smart Cities projects, solar large green corridors. These interactions further enabled to project the Company's' competencies and capabilities across domains as well as to seek stakeholder feedback on sustainability agenda being addressed by the Company

1 http://new.abb.com/sustainability/social-policy
2 http://new.abb.com/sustainability/human-rights-policy-and-statement
3 http://new.abb.com/about/supplying/code-of-conduct
4 http://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster_24-x-32-in_v5.pdf?sfvrsn=2
5 https://new.abb.com/sustainability/abb-policy-on-health-safety-environment-security-and-sustainability
6 http://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility
7 http://www.sustainabilityreport2019.abb.com
8 http://search.abb.com/library/Download.aspx?DocumentID=9AKK107492A2404&LanguageCode=en&DocumentPartId=&Action=Launch

Safe working environment

The Company has been working to build a strong sustainable model on safety in a diverse workforce environment to bring in an effective impact on the overall safety culture. Safety focus is at all levels of the Company through "walk the talk" and multi-level continuous employee engagement. Visible leadership by leading by example, has made effective impact in the overall safety culture of the Company. The ABB engagement survey for its employees reconfirmed the priority and received very high scores on the fundamentals which included safety, integrity, pride and purpose. Safety was a priority and received a 94% from responses received.

Several customized methods and tools that has been implemented along with awareness programs and putting in place an effective monitoring mechanism to ensure momentum in continual improvement in safety aspects in the Company. Country level and business level steering committees monitor progress in safety systems and to reduce lead time in decision making. The Company's sustainability Board meetings are conducted quarterly which emphasis accountability at various businesses and monitors deliverables at business lines. The Company continued with its practice of digital monitoring of daily safety compliance at project sites and factories. A customized tool was rolled out to support online our service engineers for safety compliance

Safeguarding the Company's employees and contractors is a prime area of focus for the Company. The Company focused on developing people skills, knowledge and resources to equip its personnel with the right safety behavior. This year, apart from certifying its employees on safety, the Company's continued its trainings focused on behavioral and job specific aspects such as, Safety Master Class and Safestart® targeted at all shop floor workers. The Company's nominated HSE managers underwent specific trainings and certification programs such as The Institution of Occupational Safety and Health (IOSH), Person In Charge of work (PICW) including human factors for site and project managers. Relevant job specific trainings such as electrical safety, work at height, road safety, contractor management trainings were also imparted. Special focus on all relevant trainings for contractors and service personnel were rendered by the Company. The Company clocked around 15.56 HSE training hours per employee during the year.

The Company received a total of 21876 hazards during the year and 98.05% of the reported hazards were resolved during the year. Comprehensive Sustainability Observations Tours were promoted that includes observations on safety, health, environment and security. A total of 4073 Sustainability Observations Tours (SOTs) were conducted during the year across the Company.

The Company had a total of 9.5 million contractor man-hours and 10.6 million employee man-hours worked, with 2 serious injuries, 2 lost time injury and 7 medical treatment injuries, 2 restricted workday cases and 93 first aid incidents and 131 near misses.

The Company continued with the HSE awards program for the year to recognize and encourage employees and contractors who have made innovative solutions to reduce risk of work-related injury and to showcase their best safety practices. An innovative incentivized system – "Safety tree" for improving project safety continued to be followed during the year where in no incident months were celebrated with rewards for the entire project and contractor team.

Health and wellbeing

Workplace wellbeing and health promotion is another key aspect that the Company drives. There are several initiatives by the Company to address wellbeing both physical and mental. Initiatives are around four main pillars namely – physical health (that includes fitness and nutrition), 'smoke free' environment, resilience and mental health,

The Company also witnessed a large set of its employees nearly 88% who participated in a Global Health Challenge campaign to increase their physical exercise and fitness levels. The Company provided facility for its employee to undergo a comprehensive medical examination at a list of its registered hospitals across the country.

The Company has a no smoking policy at its premises and also trained its doctors on special counselling methods to address, smoking/nicotine addiction for employee if the employee voluntarily requires support and wishes to join deaddiction program of the Company.

Resilience training to create awareness on stress and the methods to manage it has been a program continued to be of focus for and regular sessions have been conducted to cover all employees of the Company. Under mental health, the Company launched the Employee Assistance Program where in the Company's employees and their immediate family members were provided with the service of counselling facility, in complete confidentiality on aspects such as emotional, practical or physical needs.

Taking care of the environment

Environmental responsibility for ensuring environmental conservation and management is a key focus for the Company. For environmental issues identified as material to ABB operations, the ABB Group has put in place enterprise-wide policies and programs to reduce energy, water and materials use, maximize waste recycling, eliminate hazardous materials and streamline logistics and packaging. The principles of environmental risk reduction and continuous improvement are also reflected in the Company's approach to product development.

Currently at the global level, 57 percent of ABB's revenue are from eco-efficiency portfolio. With an objective to meet the Sustainable Development Goals (SDGs) to ensure access to affordable, reliable, sustainable and modern energy for all, the Company is focused on solutions that aid this and is working towards transitioning to a decarbonized energy system that is connected, digital, smart and distributed. ABB enables its customers in the utilities, industry, and transport & infrastructure sectors to conserve resources and become more sustainable and efficient. When designing eco-efficient and recyclable products we conduct Life Cycle Assessments (LCA)- comprehensive evaluations that encompass long-term environmental consequences.

ABB Group uses a process called the ABB Gate Model for product and technology development. Sustainability aspects are built into this model and includes a standardized LCA procedure. The ABB Group also develops Environmental Product Declarations (EPD) to communicate the environmental performance of core products over its entire life cycle. EPDs are based on detailed LCA studies conducted using the LCA model and declared according to international standard ISO/TR 14025. LCAs have been conducted for over 70 ABB products such as HVDC light generators, power transformers, low voltage circuit breakers, gas insulated switchgears, and current relays, etc. and these also have environmental product declarations (EPD). EPDs provide quantitative information on all concerned aspects in comparable terms, for example energy used, resources, materials used, global warming effects and use of non-renewable resources in each one of the phases.

Energy and Climate Change

The Company is taking action to reduce its energy consumption and greenhouse gas emissions and to pursue low carbon forms of energy at its plants, offices and along the value chain. As part of the ABB Group-wide sustainability objective, the aim is to progressively increase the efficiency of operations, the ABB Group has targets to reduce the greenhouse gas emissions of business by 40 percent by 2020 from a 2013 baseline.

To minimize energy consumption, the Company has taken several initiatives to access opportunities and has taken action to pursue "green" electricity sources for the Company's select facilities. The Company has also installed on-site photovoltaic (PV) power plants to reduce environmental impacts and demonstrate ABB's solar capabilities. Green power purchase and in-house solar installations has resulted in the avoidance of 4872 tons of CO2. Out of the total energy consumption of 25965 MWh, the Company's grid electricity consumption was 22718 MWh of which 26% is via green power purchase. Various ongoing energy reduction initiatives such as energy efficiency improvements in lighting, use of energy efficient motors are being implemented thus reducing the greenhouse gas emissions of the business.

The Company's compliance aspects to statutory requirements related to HSE is addressed under direct supervision of plant heads. An online tool for compliance tracking is used to ensure statutory compliance across factories. Periodic monitoring is carried out and necessary mitigation actions are undertaken to ensure compliance to all requirements. There was one pending show cause notice from the State Pollution Control Board for the year which is being resolved. However, there were no monetary fines/ penalties for environmental non compliances paid by the Company during the year.

All of the Company's facilities have been certified to ISO management systems namely ISO 14001:2004. The Company's facilities are in the process of transitioning to ISO 45001: 2018. Individual certification systems are also being aligned to a unified system going forward as per the ABB Group initiative

Water management

Water as a resource is very scarce in the country and the Company is committed to reducing its impact on local water resources wherever possible even if majority of the Company's manufacturing processes do not consume significant amounts of water. Water consumption is predominantly for domestic and landscaping uses.

The Company is working towards becoming a responsible stewards of water conservation and taking steps to move towards water neutrality. Water withdrawal in the year was 0.17 millionm^3 at the Company's manufacturing facilities. Water withdrawal has reduced by 8% from last year Several efforts are underway to reduce freshwater withdrawals, include water efficient fixtures in buildings, closed loop systems for the cooling systems and industrial processes. In-house Sewage Treatment Plants (STP) aid in the Company's recycling efforts. Water treated in STP's is used for irrigation of gardens and for sanitation purposes and this amounts to about 27% of the total water consumption for the year.

Waste management

Waste recycle, reuse and reducing the footprint of the waste disposed is a key indicator. The Company recycles waste wherever possible and reduces waste generation which is sent for its final disposal. Source segregation of waste, in-house recycling of packaging materials and reuse continues to add more value to waste and reduces the quantum of non-recyclable wastes that are sent to landfill. All the waste is disposed through authorized approved vendors.

Of the total wastes disposed this year, 87% were recycled through authorized recyclers. There were several initiatives to address waste recycling and introduction of different methods that would move way from single use

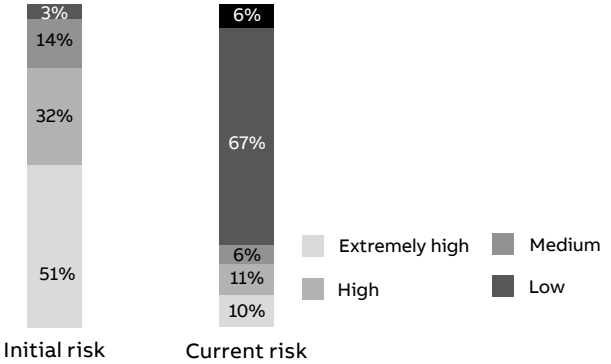
plastics, improve waste recyclability. For e.g. an initiative was taken by our Nashik factory to use corrugated box instead of wood for packaging.

Sustainability across the Company's Supply chain

ABB is fully committed to ensure a responsible working environment for its own factories and its suppliers. At the policy level the Company has the ABB Supplier Code of Conduct (SCoC) which highlights the expectations from the suppliers in the areas of human rights, fair labor conditions, business ethics, health & safety, environment & material compliance etc. The Supplier Code of Conduct[9] defines requirements for ABB suppliers and is integrated with the General Terms & Conditions. The Company considers its suppliers as business partners and requires that they conduct their business consistent with the standards and principles of the Company. Complying with the applicable environmental and OHS regulations, internationally proclaimed human rights standards and ensuring equality of opportunity are expected as the minimum level of commitment.

To ensure that the tenets mentioned in the SCoC are met the Company has designed procedures, which guide day to day activities of supply chain teams. The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The objective of the SSDP is to ensure compliance with the Supplier Code of Conduct, support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain. In the scope of this program, the Company prioritize a group of suppliers based on geographical risk, commodity risk, spend volume and business criticality in each year. Once supplier nominations are finalized, the company share a set of documents with them and arrange pre-assessment training. The purpose of these training is to explain the minimum requirements from the supplier during this program. Post training, onsite assessments are being done on 42 parameters related to general management, labor rights, social benefits, health & safety and environment. Depending on the severity of findings, closure timeline may vary, and suppliers are asked to close all the points by then. Technical supports and additional trainings are being provided to these suppliers wherever they need. Progress is being tracked through regular interactions with them. All suppliers were revisited to ensure that the identified risks were closed other than the cases which require only few documentary evidences for closure. Additionally, the suppliers also have access to the ABB Supplier Sustainability Implementation Guide, which provides practical advice on how to meet the requirements of the ABB Supplier Code of Conduct.

In India, 24[10] suppliers have been trained on sustainability requirements. 25 suppliers were assessed for such requirements during 2019. The program helped the participating suppliers identify, mitigate risks and strengthen their systems. Through this program, the risk profiles of the selected suppliers have shown steady improvement, as depicted in the charts below (the charts represent the risk profiles of suppliers selected from 2009 to 2019, before and after corrective actions under the SSDP). In 2019, three suppliers who did not show commitment to fulfill the requirements of the Supplier Code of Conduct were blocked. Business with these suppliers can only resume after they have demonstrated compliance with the ABB Supplier Code of Conduct.



	Extremely High	High	Medium	Low	De-sourced
Initial risk	51%	32%	14%	3%	
Current risk	10%	11%	6%	67%	6%

As a part of internal capacity building, the Company has lunched another batch of internal certified lead assessor program in 2019 jointly with a 3rd party agency. Also did a recertification program for its internal lead assessors jointly with the 3rd party agency. Three ABB employees renewed their sustainability auditor certificates. Having employees who can conduct and evaluate sustainability performance of the suppliers will further embed the sustainability practices in sourcing activities.

Advocacy, aid and corporate responsibility bodies

The Company is a member of a of the following industry associations:

- Confederation of Indian Industries (CII)
- Indian Electrical and Electronics Manufacturers' Association (IEEMA)
- Swiss Chamber of Commerce
- Federation of Karnataka Chambers of Commerce and Industry
- Bangalore Chamber of Industry and Commerce

[9] ABB supplier code of conduct
[10] Trainings-2019Q4 IN SSDP KPI Report

People well-being

The Company's human resource function continued to help the Company achieve its strategic mission, while ensuring that the employees remained engaged and motivated, amidst the global transformation efforts. People strategy remained aligned with the Company's overall ambition to be a pioneering technology leader while ensuring that employees stay focused in the marketplace and continue to delight customers with exceptional product and service delivery.

Leading a large-scale agile transformation is not only about adopting a new set of attitudes, processes, and behaviors at the team level, but it is about helping the Company deliver faster to market, and developing the ability to respond to a rapidly-changing competitive landscape but is also about achieving business agility which in turn comes from people having clarity of purpose, a willingness to be held accountable, and the ability to achieve measurable outcomes. The Company's transformation effort in the year was aimed to bring this focus to the organisation. The Company ensured that the transformation was carried out with razor sharp focus on the objectives and with high degree of collaboration across local and global business units and functions. The Company has successfully demerged erstwhile Power Grid division into a new company in India as ABB Power Products and Systems India Ltd (APPSIL). It is now run by an independent management and board. The ABB Group Operating System (OS) transformation was also completed in the year with businesses having end to end responsibility and resources thus positioning the Company to be more competitive and responsive in the market and help grow at a much rapid pace.

During the year, the Company has consistently set a clear path to learn and adapt to perform better in the changing market situation. The human resources team of the Company strategy supported this with its focus on enhanced performance orientation, a comprehensive talent strategy to hire, engage and develop talent and enabling a culture that fostered collaboration, risk taking and above all a culture that is value based. There were multiple interventions focused on developing world class leaders. Apart from various global leadership programme and soft skills development programs, new initiatives were launched for grooming high potential talent and developing exceptional women leaders within organization.

The Company continued to drive more transparency and communication around people policies. During the year the reward and recognition program (Trailblazer) helped celebrate exceptional performance as well as recognize behaviors that are in line with the Company's values. The Company continued to focus on developing a culture in which people are empowered and motivated to deliver sustainable high performance. This was further enabled through a sharper performance differentiation. Multiple initiatives were also launched to establish the EVP so that we can continue to attract top talent.

Through the year the Company continued to engage with the workforce to build a strong work culture based on values and principles, even if it meant taking some tough decisions. The Company signed multiple forward-looking long-term wage settlements across its manufacturing locations, that will ensure win-win for the employees as well as for the Company. There has been continued effort to enhance workforce and supervisory leadership capability to build positive shop floor discipline. Multiple engagement initiatives are further helping build strong connect with the workforce. During the year, ABB Group globally has introduced the engagement survey to help develop a culture of collaboration, open feedback and dialogue. The Company firmly believes that engaged workforce, over time, delivers better results. All the above efforts were validated as the Company received an overall positive employee engagement score of 75 which is higher than the benchmark for comparable companies as well as the ABB Group score. Positive scores were received on the areas of integrity, safety, pride, role clarity, customer focus and purpose.

Learning and development

As a Learning and Development community, the Company's vision is to become a world-class learning organization known for developing world-class leaders and mission is to strengthen ABB's ability to achieve goals by developing exceptional leaders. The Company offers Global Leadership Programs (GLP) and Soft Skills Development (SSD) programs. The GLP is targeted towards leadership skills, for developing a high performing team, building relationships, integrating leadership and management, building collaborative culture and driving innovative change. Hi-potentials, first line mangers, middle managers, senior leaders and executive leaders are part of these programs. SSD programs are catered to all permanent employees of the Company which covers the scope of all the soft skills training required to do the job in a better way.

During the year the Company introduced new initiatives like LEAD and RISE. LEAD program was extensively focused on grooming hi potential talents to reach their next level and RISE targeted on women leadership. In the year the Company had an average of 18 calendared programs that were scheduled and delivered every month with an approx. 25780 hours YTD. Organizational Development (OD) interventions like Building Connect, Building Resilience (Change Management) and Mentoring, were customized and catered as per business needs. There were several training programmes for employees and the average trainings hours per employee. The Company has covered 1.5 person days of L&D training around 12 hours per employee.

Career development and opportunities

The Company enables personal growth and development by offering open dialogue, having regular performance and development reviews including structured feedback, knowledge transfer and opportunities for multidirectional career steps, such as working on different projects, moving between various businesses or rotating among functions or geographies. The Company encourages employees to progress within the organization as opportunities arise. Employees use career guide in their own career planning and the Human Resources function of the Company provides strong support to employees and managers in creating long term employee career plans. The Company's human resources team have a strong talent management process as well to encourage and provide career development opportunities for promising employees. This year the company launched a potential development programme aimed at creating a structured development path for employees identified as exceptional performers. There was also a renewed focus on ensuring that employees across divisions are considered as successors for positions across the Company. Positions closed through internal movements went up significantly this year. Existing employees were considered first for the new business units that came up this year. Development of leaders and professionals continues to be a priority for the Company.

S.N	Key human resource data of the Company for the year*	2019
1	Total number of permanent employees	3299
2	New employees added to the Company in 2019	325
3	Apprentice / Interns / Trainees	721
4	Total number of employees hired on contractual basis	112
5	Of these how many were women	216
6	Number of permanent employees with disabilities	6
7	Recognized employee association	Yes
8	Percentage of permanent employees who are members of the recognized association	11.94%

*Note the above data is based on only ABB India Limited (minus the PG carve out) for the entire year: Jan- Dec 2019

Diversity and inclusion

As a global pioneer with a 130-year history, ABB strives to create an environment that brings the power of diversity to life; where people with different backgrounds and experiences thrive in both their professional and personal lives. The Company welcomes different ways of thinking and acting, different qualities and skills, different experiences and backgrounds and values them because it is dedicated to being inclusive, recognizing and respecting all aspects of difference.

There was continued focus on creating a more diverse and inclusive (D&I) workplace, where individual differences are appreciated and where we all unite to write the future together. Through the year multiple initiatives were launched to strengthen the D&I agenda. This included launching the work from home policy, development program focused on women leaders, learning intervention in enabling teams to deal with their unconscious bias etc. D&I initiatives were anchored into the organisation through D&I councils that owned and drove the agenda for each business unit.

During the year, the Company had 21% lateral female recruits, 48% female university hires. As a result, the diversity representation increased from 9 percent in 2017 to 11.4 percent in 2019. The Company also introduced a 'Re-board' program for facilitating hiring former women employees back into the Company. To prepare leaders for tomorrow who are inclusive, several training programs on Interrupting Unconscious Bias, Women Leadership Development Program (RISE) were launched by the Company. Trailblazer Award for Diversity at workplace was also announced to recognize and acknowledge individuals, teams that passionately drive diversity within the Company's workspace.

The Company was recognized as an "2019 Exemplar of Inclusion" in the Most Inclusive Companies in India (MICI) Index and " Top 100 Best Companies for Women in India" by Working Mother & AVATR The Power of Diversity in 2019 for all the initiatives around the D&I journey.

Respecting and promoting human rights

The ABB Group recognizes that respect for human rights is a material issue and that failure to do so can cause harm to people and adversely affect business, with potential legal, financial and reputational consequences. The Company abides and follows the ABB Group Human Rights policy and statement. The policy draws on the Universal Declaration of human rights, the International Labour Organization (ILO) core conventions on labor standards, United Nations Global Compact (UNGC), The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the Social Accountability (SA) 8000 standard.

The ABB Human Rights and Social Policies specifically refer to the ILO core conventions as the minimum to be achieved, with respect to non-discrimination, prohibition of child and enforced labor, freedom of association and the right to engage in collective bargaining. Raising awareness of human rights is one of ABB's nine Sustainability Objectives for 2014-2020. The United Nations (UN) guiding principles are central to ABB's human rights training. Everyone who works for the Company, either as a direct employee or indirectly through the Company's supply chain, is expected to behave with respect for the dignity of the individual and for the importance of each individual's human rights.

The Company in line with the ABB Group, fully acknowledges the responsibility to abide by the International Bill of Human Rights and is committed to implementing the United Nation's (UN) Guiding Principles on Business and Human Rights. In addition, the ABB Supplier Code of Conduct, the ABB Policy Combating Trafficking in Persons, and the Human Rights Policy emphasize that ABB and the Company does not tolerate modern slavery or human trafficking.

The Company, in line with the Group policy, seeks to raise its standards, and increase its understanding, and mitigation of human rights risk. A global awareness-raising program for all focuses on understanding how ABB can potentially impact human rights, the importance of due diligence and how the Company is embedding human rights in business processes, was imparted by the ABB Group for a network of key persons in the company who handle Human Rights aspects across the Company's operations.

The Company wants to make sure that its business does not negatively impact communities where it works. The Company follows a policy on human rights set by the ABB Group and carries out effective due diligence to understand the risks the Company faces in its operations, the need to report on human rights performance, and having a grievance mechanism in place for external stakeholders who believe their rights have been violated.

Integrity, transparency and accountability

The Company behaves in a responsible and ethical way, and it respects the needs of individuals, society, and the environment. The ABB Group has an Integrity program that uses a systematic approach, designed to foster a culture of Integrity and compliance. The Company's Integrity team is led by Country Integrity Officer supported by a central team in ABB Group for critical integrity related matters. The program works around three areas of Prevent, Detect and Resolve.

The Company in line with the ABB Group has set high standards of integrity and compliance which are expected of every employee of the Company. A culture of integrity and compliance is followed, and this is done through leadership and business accountability, supported by strong tools and processes, and a zero-tolerance policy for violations. The Company is proactive about integrity and compliance through ongoing training, internal surveys and resources such as the Business Ethics Hotline.

The ABB Code of Conduct is the integrity framework set by the ABB Group that explains the behavior the Company expects from its employees and stakeholders. The ABB Code of Conduct is based on the business principles of responsibility, respect and determination and provides practical instructions to help employees in their day-to-day work.

The ABB Group directive with its standards and policies serves as a strong set of internal controls. Bribery and corruption are prohibited in all business dealings, whether with public officials or private sector business partners. As a rule, facilitation payments are not permitted. Mandatory, substance-based due diligence prior to the appointment of ABB representatives, such as third-party agents. Centralized, transparent approval process with appropriate controls over performance prior to any payments. Political and charitable contributions are subject to detailed internal policy and controls. Gifts, entertainment and expenses policy defines thresholds, approval processes and their documentation, with additional controls for public officials. Agreements with subcontractors and consortium partners are aligned with the Company's commitment to integrity in the performance of the contract, including commitments not to violate anti-bribery laws. The Company's suppliers are also required to maintain integrity standards which are satisfactory to the Company and all suppliers are to agree to the ABB Supplier Code of Conduct.

Mandatory compliance due diligence for any joint venture or acquisition target like Mergers and acquisitions is followed. Thorough integration strategy for the ABB integrity program. All current and new employees of the Company are required to take face-to-face and e-learning training, and to acknowledge their commitment to adhere to the Code of Conduct. The Company maintains a regular re-acknowl edgement process for the Code of Conduct by managers

The Company adheres to ABB Group 's Antitrust guidance notes, which is designed to address practical business situations and focus on specific topics which could raise antitrust concerns, including:

- Participation in trade association meetings
- Competitive intelligence gathering versus commercially sensitive information exchanges
- Participation in benchmarking exercises
- Pricing strategies

The Company's Anti-Corruption Policy is stated explicitly in the ABB Group directive on bribery and anti-corruption and emphasizes key components that are essential for ensuring strict compliance to anti-bribery laws but also refraining from corruption. The Company enforces a rigorous zero-tolerance policy against any involvement in bribery or corruption and has put in place robust policies to prevent bribery such as on gifts, entertainment and expenses, charitable contributions and representatives, and measures to ensure ethical supply chains.

There are several multiple reporting channels available to the Company's employees in case of detecting and reporting on integrity issues. Employees are encouraged to speak up and report integrity and compliance concerns and to seek guidance. All reports received are subject to appropriate investigation, follow up, and brought to full closure; through a systematic process and tracking system and the Company enforces a rigorous non-retaliation policy.

The Whistleblower Protection Policy of the Company creates a safe and confidential environment for employees to make such reports. This policy governs the reporting and investigation of alleged improper or illegal activities within the Company as well as the protection afforded to those employees who report them (the "whistleblowers"). In case of reported incidents, all reports are subject to appropriate investigation and are brought to full closure using systematic processes and tracking systems.

The ABB Business Ethics Hotline is available for employees to report integrity and compliance concerns or seek guidance. Toll-free calls are taken by an independent provider 24 hours a day, 7 days per week. (To reach ethics hotline, dial the country access code 000-117, when your hear the recorded message, dial the number 800-662-7219, or email to ethics.contact@ch.abb.com). Web-based reporting are also available. Stakeholder hotline for business partners also available (+41 43 317 33 66).

The Company has an Internal Complaints Committee for the prevention of sexual harassment as a part of the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 that aims to provide protection against sexual harassment of women in the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidentals thereto. The Company has constituted the Internal Complaints Committee at each location and establishments (all locations where more than 10 women are employed). There were two complaint received by the said committee of the Company in the year where in one case has been substantiated and in the other, inquiry has been initiated and review is in process.

Community engagement

The ABB's Group has a Social Policy that was adopted in February 2001. The Social Policy focuses on ABB in society, human rights, children and young workers, freedom of engagement, health and safety, employee consultation and communication, equal opportunity, harassment and disciplinary practices, working hours, compensation, suppliers, community involvement and business ethics. The policy draws principally on six sources:

- The Universal Declaration of Human Rights,
- The UN Guiding Principles on Business and Human Rights,
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work,
- The OECD Guidelines for Multinational Enterprises,
- The Global Sullivan Principles and
- The Social Accountability 8000 (SA 8000) standard

The Company's commitment for an inclusive world is backed up with its Corporate Social Responsibility (CSR) activities for its communities. The Company invests in programs and projects for community development that are targeted at improving basic education, promoting energy conservation, access to electricity, basic health care and helping underserved groups gain skills and obtain employment opportunities through skilling and special education. Programs are well defined and are implemented to fulfill the priority needs of the community in line with the Company's set policy. Community programs have the objective of giving back to the society where it is needed the most and areas of education, and women empowerment are close to the ethos of the organization. The Company's CSR programs directly addresses around 10 of the United Nations Sustainable Development Goals (SDG) (as below) augmenting the Country's

progress towards achieving its SDG targets by 2030. Customized projects for the development of communities are undertaken in a systematic way by way of planning and implementation along with monitoring for project effectiveness. Projects are predominantly implemented through identified project partners who are chosen after a rigorous assessment of their expertise and experience in the area along with due diligence verifications. During the year the Company spent its complete allocated CSR budget of 12.45 Crores towards various community development projects across the country. Please refer to Annexure - E of Director's Report for the details of the programs during the year.

Customer engagement

The Company is a pioneering leader working closely with industry, utilities, transportation and infrastructure customers, offering a unique combination of sector knowledge, technology leadership and digital expertise, to create real business value for the customers together with a superior and differentiated customer experience.

The Company hosted several meets, events and seminars during the year to proactively engage with the customers on the Company's wide array of innovative products and systems, tailored to differing market needs, showcasing groundbreaking digitization and collaboration technologies which enable customers to achieve new levels of flexibility, efficiency and performance, with solutions that are delivered safely, securely and sustainably. ABB prides itself with its range of eco efficient product portfolios as well to offer its customers. Workshops, exhibits, presentations and panel discussions with policy-planners, industry leaders, decision-makers and influencers offered a platform for the exchange of ideas and best practices across diverse business sectors and technology domains, providing an enriching experience to the various stakeholders.

In order to equip engineers, operations & maintenance personnel and other employees of customers with up-to-date technical expertise on existing and new products, processes, and technology advances, the Company conducted several training programs. The training integrated best-in-class demonstrations, custom courseware and in-depth technical proficiency to increase the skill level and knowledge of the customer's workforce, increase their capability to respond quickly and efficiently in any given situation, optimize their operations and make their assets and businesses safer. Training was given at customer sites or in the Company's dedicated state-of-the-art training facilities or online and covered a range of current and futuristic topics on power and automation engineering and digital technologies, encompassing the Company's complete offering and service portfolio. Corporate-wide frame agreements were made or renewed with public and private sector customers for imparting training to their employees.

As part of its relentless fine-tuning of its customer centricity and sharpening of its customer focus, the Company has reinforced its Customer Contact Center setup with a specific mission statement for the Contact Center: Make ABB easier and enjoyable to do business with by reducing customer effort and improving customer experience with ABB. The Contact Center provides an easy-to-reach contact point for those customers and other business partners who do not know where to turn to. It receives inquiries – which can be of any kind for any product, system or service – and routes them to the relevant business lines or functions within the Company for their swift response and resolution. The Contact Center is available on all working days during business hours and can be accessed via an all-India toll-free telephone number (1800 420 0707), email (contact.center@in.abb.com), web and live-agent chat. The Contact Center does not replace but complements existing channels between a customer and the Company's business lines and functions.

The Company is committed to using input from customers to improve performance and for this purpose it has embedded customer voice as an integral part of the Company's decision-making process. Since 2010, the Company has adopted the Net Promoter Score (NPS) survey to know how the Company is perceived by its customers. Net Promoter is both a loyalty metric and a discipline for using customer feedback to aid sustainable growth of the Company. The customers' response to the "recommend" question and the green card / red card feedback, tell the Company how it measures up to the customers' expectations, highlighting the areas where it has performed well and those where it needs to do better.

The country relational NPS surveys are held once in two years. The last survey was held in December 2018; the data from that survey was reviewed during 2019 for analytical insights and direct action by the Company's various business lines, to actively effect the changes that the customers recommended. The next relational survey will be held in 2020. Parallel to the relational NPS survey program, the Company also intensively deployed transactional NPS surveys in 2019, to get touch-point specific feedback for identification of improvement measures. As transactional surveys are a leading indicator of customer loyalty, the intention is to continue to raise the bar by responding rapidly and decisively to real-time customer feedback from the Company's operational customer staff as soon as they occur.

In order to address any customer issues with the Company's offering and service portfolio, the Company has a set process called the Customer Care Response Process (CCRP). Most of the Company's customers deal with more than one business line in the Company. CCRP channels customer care topics and improves customer satisfaction by providing a single Company-wide common process and tool. It captures, documents, performs root cause analysis and ensures resolution of any type of customer dissatisfaction in a timely and qualitative manner. Solutions are implemented quickly, systematically and permanently with the objective of preventing future customer dissatisfaction and continuously enhance customer value. Customers are also given the opportunity to confirm if they are satisfied with the resolution provided and the way it was handled.

Links to Policies and Programs

Sustainability:
http://new.abb.com/sustainability

ABB Policy on Health, Safety, Environment, Security and Sustainability:
https://new.abb.com/sustainability/abb-policy-on-health-safety-environment-security-and-sustainability

HSE Policy (Company):
http://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster_24-x-32-in_v5.pdf?sfvrsn=2

Social Policy (ABB Group):
http://new.abb.com/sustainability/social-policy

Human Rights Policy & Statement (ABB Group):
http://new.abb.com/sustainability/human-rights-policy-and-statement

Corporate Social Responsibility Policy (Company):
http://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility

Sexual harassment of women at the workplace Policy (Company)
http://new.abb.com/docs/librariesprovider19/default-document-library/policy-on-sexual-harassment-of-women-at-workplace.pdf?sfvrsn=2

Code of Conduct (Company):
http://www.abb.co.in/cawp/abbzh252/45f145dc6cfc01cac12579b500315ed3.aspx

Supplier Code of Conduct (ABB Group):
http://new.abb.com/about/supplying/code-of-conduct

Corporate Governance (ABB Group):
http://new.abb.com/indian-subcontinent/investors/corporate-governance

Integrity Program (ABB Group):
http://new.abb.com/about/integrity

Supplier Sustainability Development Program (ABB Group)
http://new.abb.com/about/supplying/sustainability

Business Responsibility Report 2019
(As per Regulation 34 (2) of the Listing Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity (CIN) of the Company	L32202K1949PLC032923
2.	Name of the Company	ABB India Limited
3.	Registered address	21st Floor, World Trade Center, Brigade Gateway, No 26/1, Dr. Rajkumar Road, Malleswaram West, Bengaluru 560 055
4.	Website	http://new.abb.com/indian-subcontinent
5.	E-mail id	investor.helpdesk@in.abb.com
6.	Financial Year reported	2019
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	1. Manufacture of electric motors, generators, and electricity distribution and control apparatus - 271 2. Manufacture of other electrical equipment - 279 3. Manufacture of electronic components - 261 4. Manufacture of measuring, testing, navigating and control equipment; watches and clocks – 265
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. Switch gear of all types 2. Electronic control and supply units for variable speed drives for other applications 3. Motors and other machines
9.	Total number of locations where business activity is undertaken by the Company	42
	A Number of International Locations (provide details of major 5):	1 in Srilanka and 2 in Bangladesh
	B Number of National locations:	13 Factories 26 Establishments
10.	Markets served by the Company-Local/State/National/International	Asia, Middle East, Africa, Europe and Americas

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	42.38 Crores
2.	Total Turnover (INR)	8,209.90 Crores (including discontinued business)
3.	Total profit after taxes (INR)	303.40 Crores (including discontinued business)
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	2.0% (of average net profit for previous three years)
5.	List of activities in which expenditure in 4 above has been incurred:	Refer CSR report attached to the Directors' Report

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	As on December 31, 2019 the Company had no Subsidiary
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	Yes. More than 60%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of Director/Directors responsible for implementation of the BR policy/policies

1.	DIN Number	07362344
2.	Name	Sanjeev Sharma
3.	Designation	Managing Director

(b) Details of the BR Head

No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Vipin Upadhyay
3.	Designation	Country Sustainability Manager
4.	Telephone number	080-22949144
5.	e-mail id	vipin.upadhyay@in.abb.com

2. Principle –wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for.... P1. Environment, Health and Safety Policy P2. Corporate Social Responsibility Policy P3. Sexual Harassment of Women at the Workplace Policy P4. Anti-Corruption Policy P5. Whistle Blower Protection Policy P6. ABB Group Social Policy P7. ABB Group Human Rights Policy P8. ABB's Code of Conduct P9. ABB Supplier Code of Conduct	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Few of the policies have been approved by the Board and other ABB Group policies are adopted by the Company.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company is having a committee for CSR, Sexual Harassment of Women at the Workplace. For the other policies, the Company is having adequate internal control on its review and implementation.								
6.	Indicate the link for the policy to be viewed online?	Please refer to the section on 'Links to the Company Policies and Programs' section of the detailed BRR document								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	3-6 months. The Company has the quarterly sustainability reviews scheduled at the board level
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The Business Responsibility Report (BRR) is published annually. Link to 2018 BRR of the Company: http://search.abb.com/library/Download.aspx?DocumentID=9AKK107492A2404&LanguageCode=en&DocumentPartId=&Action=Launch

SECTION E: PRINCIPLE-WISE PERFORMANCE

	Principle 1	
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	No. It extends to the Group/Joint Ventures, Suppliers, Contractors, NGOs and Others.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	There were 142 investor grievances received, during the year and all of them have been satisfactorily resolved.
	Principle 2	
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	
		(a) Gas insulated switch gear
		(b) Low voltage circuit breakers
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	LCAs have been conducted for over 70 ABB products such as low voltage circuit breakers, gas insulated switchgears and current relays and these also have environmental product declarations (EPD)
	(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	Not available
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not available

3.	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes. The Company has set procedures to select suppliers, contractors and service providers based on their competence and capability to undertake tasks and in compliance with the ABB's Supplier Code of Conduct which includes health & safety, environment, ethics & integrity, human rights, working conditions among others. As a guiding principle the Company prefers to do business with compliant and sustainable suppliers. The Company has set procedures in place for sustainable transportation as well. At the time of qualification to become the Company's supplier, the vendor is assessed across set sustainability matrices. The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The goal of the SSDP is to ensure compliance with the Supplier Code of Conduct, to support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain. In the scope of this program, the Company trained both suppliers and Company employees, and carried out supplier audits to identify improvement in the areas of general management, working hours, remuneration, social benefits, health and safety, environmental protection etc. Yes. The ABB Group directive specifically for Sourcing for Transport & Logistics service is a guidance document that the Company follows. Among many other stringent criteria that the supplier is evaluated upon, key sustainability aspects that are reviewed for selection include: HSE policy and training programmes of the vendor, compliance to internal and external certification of the operations staff of the vendor for HSE training to ensure their HSE competencies prior to commencement of work, follow of PPE requirement, certification of all safety tools, equipment by third party and to check if the vendor is in compliance with all the governmental environmental regulations, energy conservation and Carbon footprint initiatives . There are also stringent qualifications across ABB's Human Rights policy, training, and adherence to ABB's RoHS, REACH compliance and to ABB List of Restricted and Prohibited Substances for supplier qualification.
	(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	All of the Company's vendors mandatorily go through a stringent evaluation and qualification criteria before they are registered within the Company. The qualification procedures include all aspects of sustainability performance.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	The Company has moved towards a centralized procurement team and all of its vendors and suppliers need to meet with the set of qualification requirements of the Company.
	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company has analyzed and identified the most common issue of its suppliers as "lack of knowledge in legal requirements related to factory" during sustainability assessments. To address this issue systematically, three one-day workshops on the topic were organized at manufacturing locations of the Company in Nashik, Vadodara & Faridabad for its suppliers. Training materials on the above subject has been made available to suppliers to expedite their learnings including that of local and small vendors
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes.>10%. The Company has stringent waste management practices for internally generated wastes; covered in the Company's HSE policy.
	Principle 3	
1.	Please indicate the Total number of employees.	Permanent employees: 3299
2.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	New employees added in the year: 325 Apprentice / Interns / Trainees: 721 Contract employees: 112
3.	Please indicate the Number of permanent women employees.	216
4.	Please indicate the Number of permanent employees with disabilities	6
5.	Do you have an employee association that is recognized by management?	Yes
6.	What percentage of your permanent employees is members of this recognized employee association?	11.94%
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	There were 2 sexual harassment cases received by the Company in the year which are being investigated for substantiation.

No.	Category	No of complaints filed during the financial year	No of complaints filed pending on end of the financial year
1.	Child labour/forced labour/involuntary labor	0	Nil
2.	Sexual harassment	2	1
3.	Discriminatory employment	0	Nil

8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Yes. All of the Company's employees underwent safety related training and skill upgradation which were on a periodical basis. A total of 180816.0 hours of HSE trainings for employees and contractors. During the year the average HSE training hours / employee was: 15.56
	(a) Permanent Employees	
	(b) Permanent Women Employees	
	(c) Casual/Temporary/Contractual Employees	This category of employees is subjected to skill-based training depending on the work and job roles. Training matrix is designed based on their job risk profiles. As and when required, refresher trainings are provided to upgrade skills based on any changes in the work/ job profiles of employees. During the year 107987.5 manhours were clocked for contractor safety trainings
	(d) Employees with Disabilities	Training on various aspects are given to employees including persons with disabilities
	Principle 4	
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	Yes. The Company undertakes its CSR activities for disadvantaged, vulnerable communities including focus on disability sector and assists in community development in and around its factory operations
	Principle 5	
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	No. It is applicable to all – Group, Joint Ventures, Suppliers, Contractors, NGOs and Others.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	There were 142 number of investors' complaints received during the year and all of them have resolved during the year
	Principle 6	
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others?	No. It is applicable to all – Group, Joint Ventures, Suppliers, Contractors, NGOs and Others.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	Yes. http://new.abb.com/betterworld/how-abb-technology-mitigates-climate-change ABB Group's recent (July 2019) statement on Climate Change and Global Warming: https://new.abb.com/sustainability/environment/abb-statement-on-climate-change-and-global-warming
3.	Does the company identify and assess potential environmental risks? Y/N	Yes
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. https://new.abb.com/news/detail/4482/abb-ability-supports-indias-clean-energy-future
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil
	Principle 7	
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes
		(a) Confederation of Indian Industries (CII) (b) Manufacturers' Association (IEEMA) (c) Federation of Karnataka Chambers of Commerce and Industry (d) Swiss Chamber of Commerce (e) Bangalore Chamber of Industry and Commerce

2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No
	Principle 8	
1.	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has a CSR policy and activities are on the 5 key focal areas for its social development projects.
2.	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?	The CSR programs include both direct spending as well as through the Company's foundation in partnership with verified external NGO partners/ implementing agencies.
3.	Have you done any impact assessment of your initiative?	Needs assessment through stakeholder engagement is taken into account for large projects. Impact assessment will be taken up for large projects that have been running with the company's funding on continuously for at least for 3 years.
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	The Company spend 12.45 Crores towards CSR programs. Details are provided Annexure - E to Directors Report
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	CSR activities were pursued in line with the Company's policy and framework. The first step in the process is to identify communities that require Company's intervention through a stakeholder engagement. The Company has continual interactions with the relevant stakeholders so that its interventions are sustainable and is accepted and adopted by key stakeholders.
	Principle 9	
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Total number of customer complaints received during the year: 4855 Percentage of customer complaints which are open at the end of the year :0.54%
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)	No.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Nil
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes.

Note:

- The Business Responsibility Report (BRR) in format as specified by the Securities and Exchange Board of India (SEBI), pursuant to Regulation 34 (2) (f) of SEBI' Listing Obligations and Disclosure Requirements (LODR) regulation, 2019 is attached to this report.

- "During the year, the Bengaluru Bench of National Company Law Tribunal has sanctioned the Scheme of Arrangement between the Company, ABB Power Products and Systems India Limited (APPSIL) and respective shareholders & creditors involving the demerger of the Power Grids Business of the Company to APPSIL under the provisions of Sections 230 – 232 and other applicable provisions of the Companies Act, 2013. Accordingly, the Power Grids Business of the Company has been transferred to APPSIL. Hence, all data provided in the Business Responsibility Report are excluding the data for the Power Grids Business."

Notice

NOTICE is hereby given that the SEVENTIETH ANNUAL GENERAL MEETING of the Members of ABB India Limited will be held on Friday, July 24, 2020 at 11.00 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

Ordinary Business:

Item No. 1 – Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon

To receive, consider and adopt the financial statements, namely, (i) the Audited Balance Sheet as at December 31, 2019, (ii) the Audited Profit & Loss Account for the year ended on that date, (iii) the Cash Flow Statement for the financial year ended on that date, (iv) statement of changes in equity, if any, (v) an explanatory note annexed to, or forming part of, the documents referred to in (i) to (iv) above and the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Declaration of Dividend

To declare a dividend of ₹4.80/- per Equity Share of ₹2/- each for the Financial Year 2019.

Item No. 3 – Appointment of a Director

To appoint a Director in place of Mr. Jean-Christophe Deslarzes (DIN: 08064621), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

Special Business:

Item No. 4 - Appointment of Mr. V K Viswanathan as non-executive independent director

To consider and, if thought fit, to give your assent or dissent to the following **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 161 (1) and other applicable provisions of the Companies Act, 2013 ("the Act") read with Articles 137 and 144 of the Company's Articles of Association, Mr. V K Viswanathan (DIN: 01782934) who was, based on the recommendation of the Nomination and Remuneration Committee of the Board, appointed as an additional director on November 13, 2019 by the Board, to hold office upto the date of the next Annual General Meeting on July 24, 2020 and in respect of whom the Company received a notice in writing from a member signifying his intention to propose him as a candidate for the office of Director, be appointed as an independent director of the Company pursuant to Section 149(6) and other applicable provisions of the Act for a term of 3 continuous years from November 13, 2019, he fulfilling the criteria for independence in terms of Section 149 (6) of the Act and being eligible for such appointment, Mr. V K Viswanathan not being liable to retire by rotation during the aforesaid term of his appointment as independent director."

Item No. 5 - Re-appointment of Mrs. Renu Sud Karnad as a non-executive independent director

To consider and, if thought fit, to give your assent or dissent to the following **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, Regulations 16(1)(b) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee of the Board of Directors and the Board of the Company, Mrs. Renu Sud Karnad (DIN: 00008064), whose existing term as an independent director is upto May 5, 2020 and being eligible, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby re-appointed as an independent director of the Company to hold office as such for a second term of 3 (three) consecutive years with effect from May 6, 2020 and she shall not be liable to retire by rotation during the continuance of her second term."

Item No. 6 - Re-appointment of Mr. Darius E. Udwadia as a non-executive independent director

To consider and, if thought fit, to give your assent or dissent to the following **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, Regulation 16(1)(b), 17(1A) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee of the Board of Directors and the Board of the Company, Mr. Darius E. Udwadia (DIN: 00009755), whose existing term as an independent director is upto May 5, 2020, having attained the age of 75 years and being eligible, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an independent director of the Company to continue to hold office for a second term of 3 (three) consecutive years with effect from May 6, 2020 and he shall not be liable to retire by rotation during the continuance of his second term."

Item No. 7 - Appointment of Mr. Morten Wierod as non-executive director

To consider and, if thought fit, to give your assent or dissent to the following **Ordinary Resolution:**

"RESOLVED THAT Mr. Morten Wierod (DIN: 08753868), who was appointed as a Director by the Board at its meeting held on June 19, 2020 pursuant to Section 161(4) and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with Article 143 of the Company's Articles of Association to fill in the casual vacancy caused by the resignation of Mr. Tarak Mehta (DIN: 06995639) as a Director before the expiry of his term of office, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation; Mr. Wierod to hold office upto the date to which Mr. Tarak Mehta in whose place he is appointed would have held office if he had not resigned."

Item No. 8 - Approval of remuneration to the Cost Auditor of the Company for Financial Year 2020

To consider and if thought fit, to give your assent or dissent to the following **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the payment of remuneration of ₹23,00,000/- (Rupees Twenty Three Lakh Only) per annum plus applicable taxes and out of pocket expenses actually incurred during the course of audit to Ashwin Solanki & Associates, Cost Accountants (Registration No.100392) appointed as Cost Auditor, by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending December 31, 2020, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
For ABB India Limited

B Gururaj
Company Secretary
FCS-2631

Place: Bengaluru
Date: June 19, 2020

Registered Office:
21st Floor, World Trade Center, Brigade Gateway,
No.26/1, Dr. Rajkumar Road, Malleshwaram West,
Bengaluru – 560 055
CIN: L32202KA1949PLC032923

Notes:

1. This AGM is convened through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") pursuant to General Circular numbers 14/2020, 17/2020 and 20/2020, dated 08.04.2020, 13.04.2020 and 05.05.2020 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'Circulars'), which allow the companies to hold AGMs through VC/OAVM.

2. In compliance with the aforesaid Circulars, this AGM Notice along with the Annual Report for the year 2019 is sent only through electronic mode to those Members whose E-mail addresses are registered with the Company / Depositories. The AGM notice and Annual Report of the Company are made available on the Company's website at www.abb.co.in and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com and National Stock Exchange of India Limited - www.nseindia.com. The Company has published a Public Notice by way of advertisement in Kannada Language, the principal vernacular language of Karnataka and in English language in an English newspaper with the required details of 70th AGM, for information of the Members.

3. The Company has availed the services of KFin Technologies Private Limited, (KFintech) Registrar and Transfer Agent of the Company, as the authorised agency for conducting of the AGM through VC/OAVM

and providing e-voting facility.

4. Though a Member entitled to attend and vote at the meeting, is entitled to appoint one or more proxies (proxy need not be a member of the company to attend and vote instead of himself / herself), the facility of appointment of Proxies is not available as the AGM is convened through VC / OAVM.

5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. In case of joint holders only such joint holder who is higher in the order of names will be entitled to vote during the meeting.

7. The statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning special business at Item Nos. 4 to 8 is annexed hereto.

8. The Register of Members and the Share Transfer Books of the Company will remain closed from July 18, 2020 to July 24, 2020 (both days inclusive) for the purpose of payment of dividend.

9. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid on and from Tuesday, July 28, 2020, to those Members whose names stand registered on the Company's Register of Members:

   a) as Beneficial Owners as at the end of business hours on Friday, July 17, 2020 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in dematerialized form.

   b) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before Friday, July 17, 2020.

10. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred, under Section 124 of the Companies Act, 2013, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

    The Members / claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

    It is in the Member's interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Member's account on time.

11. Members who have not yet encashed the dividend warrant(s) from the financial year ended December 31, 2012 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on December 31, 2011, have been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.abb.co.in and Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact KFin Technologies Private Limited (KFintech), Unit: ABB India Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal, Hyderabad – 500 032, Telangana, the Registrar and Share Transfer Agents of the Company, to claim the unclaimed / unpaid dividends.

12. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, either to the Company's Registrar and Share Transfer Agents at the address mentioned above or to their respective Depository Participant ("DP") in case the shares are held in dematerialized form.

13. Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) they should submit their NECS / ECS details to the Company's Registrar and Share Transfer Agents. The requisite NECS /ECS application form can be obtained from the Company's Registrar and Share Transfer Agents. Alternatively, Members may provide details of their bank account quoting their folio numbers, to the Company's Registrar and Share Transfer Agents to enable them to print such details on the dividend warrants.

14. As a part of the green initiatives, the Members who have not yet registered their E-mail addresses are requested to register their E-mail addresses with their DPs in case the shares are held by them in

electronic form and with KFintech in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/ RTA will be sent to the registered E-mail address.

15. As required by Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of all Directors seeking appointment or re-appointment at this Annual General Meeting are given in the annexure to the Notice of the Annual General Meeting.

16. The members / investors may send their complaints/ queries, if any to the Company's Registrar and Share Transfer Agents' E-mail id: einward.ris@kfintech.com or to the Company's designated/exclusive E-mail id: investor.helpdesk@in.abb.com

17. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in demat form, the nomination form may be filed with the respective DP.

18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contract the Depository Participant of their choice.

19. Effective April 1, 2020, dividend income will be taxable in the hands of shareholders. Hence the Company is required to deduct tax at source [TDS] from the amount of dividend paid to shareholders at the prescribed rates. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to einward.ris@kfintech.com on or before July 17, 2020. Further no tax shall be deducted on the dividend payable to a resident individual shareholders if the total amount of dividend to be received from the Company during the Financial Year 2020-21 does not exceed ₹5,000/-. Shareholders may note that in case PAN is not updated with the Depository Participant/Register of the Company, the tax will be deducted at a higher rate of 20%.

    Non-resident shareholders can avail beneficial tax rates under Double Tax Avoidance Agreement [DTAA] i.e. tax treaty between India and their country of residence. Non- resident shareholders are required to provide details on applicability of beneficial tax rates and provide following documents:

    - Copy of PAN card copy, if any, allotted by Indian Income Tax Authorities duly self attested by the member
    - Copy of Tax Residency Certificate [TRC] for the FY2020-21 obtained from the revenue authorities of country of tax residence duly attested by the member
    - Self Declaration in Form 10-F
    - No-PE [permanent establishment] certificate
    - Self Declaration of beneficial ownership by the non-resident shareholder
    - Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities

    The members/shareholders are required to provide above documents/declarations by sending an E-mail to einward.ris@kfintech.com on or before July 17, 2020. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the rates mentioned in the Income Tax Act, 1961. In case of Foreign Institutional Investors / Foreign Portfolio Investors tax will be deducted under Section 196D of the Income Tax Act @20% plus applicable Surcharge and Cess.

20. All documents referred in the accompanying Notice and Statement setting out material facts will be available electronically for inspection for Members on all working days between 10.00 a.m. and 12.00 noon up to Friday, July 24, 2020 being the date of the Annual General Meeting. Members seeking to inspect such documents can send an E-mail to investor.helpdesk@in.abb.com.

21. Updation of Members' details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, E-mail address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or KFintech, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.

22. Since the AGM being held through VC/OAVM, the Route Map, Attendance Slip and proxy form are not attached to this Notice.

23. INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC / OAVM AND VIEWING WEBCAST OF AGM:

    i. Members will be able to attend the AGM through VC / OAVM or view the live Webcast of AGM at https://emeetings.kfintech.com / by using their remote e-voting login credentials;

    ii. After logging, click on camera icon appearing against AGM event of ABB India Limited.

    iii. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.

    iv. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis. Facility of joining AGM will be closed on expiry of 15 minutes from the schedule time of the AGM.

    v. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to https://emeetings.kfintech.com and clicking on the 'Speaker Registration' tab available on the screen after log in. The Speaker Registration will be open during July 21, 2020 to July 22, 2020. Only those members who are registered will be allowed to express their views or ask questions. Alternatively members may also write to Company at investor.helpdesk@in.abb.com before 5.00 PM on Wednesday July 22, 2020. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

    vi. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first-come-first-served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first-come-first served basis.

    vii. Members of the Company under the category of Institutional Investors are encouraged to attend the AGM and vote at the AGM, if not already voted remotely.

    viii. Members who need assistance before or during the AGM may contact Ms. C Shobha Anand, Deputy General Manager, KFin Technologies Private Limited Tel +91 40 6716 2222 or Toll Free No.: 1800-345-4001; or send an E-mail request to shobha.anand@kfintech.com or evoting@kfintech.com

24. E-Voting:

1 In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFin Technologies Private Limited (KFintech) on all resolutions set forth in this Notice.

2 The remote e-voting period commences at 9.00 a.m. IST on Tuesday, July 21, 2020 and ends at 5.00 p.m. IST on Thursday July 23, 2020. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, July 17, 2020, may cast their vote electronically in the manner and process set out hereinabove. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

3 Instructions for Remote E-voting are as under:

    i. Launch internet browser by typing the URL: https://evoting.karvy.com

    ii. Enter the login credentials (i.e. user ID and password). In case of physical folio, user ID will be EVEN number 5330 followed by folio number. In case of Demat account, user ID will be your DP ID and Client ID. However, if you are already registered with KFintech for remote e-voting, you can use your existing user ID and password for casting your vote.

    iii. After entering these details appropriately, click on "LOGIN".

    iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case

(a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, E-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., ABB India Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., to attend the AGM through VC / OAVM on its behalf together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at E-mail cs.skannan@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "ABB India Limited 70th Annual General Meeting."

4 Instructions for Members for Voting during the AGM:

i. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC / OAVM.

ii. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.

iii. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The Members shall be guided on the process during the AGM.

iv. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

25. Procedure for registering the E-mail addresses and obtaining the AGM Notice, Annual Report and e-voting user ID and password by the Members whose E-mail addresses are not registered with the Depositories (in case of Members holding shares in Demat form) or with KFintech (in case of Members holding shares in physical form)

I. Those Members who have not yet registered their E-mail addresses are requested to get their E-mail addresses registered by following the procedure given below:

a) Members holding shares in demat form can get their E-mail ID registered by contacting their respective Depository Participant.

b) Members holding shares in physical form may register their E-mail address and mobile number with Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an E-mail request at the E-mail ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the E-mail address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate.

II. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with KFintech for registration of E-mail addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their E-mail address to the Depository Participant or KFintech are required to provide their E-mail address to KFintech, on or before 5:00 p.m. (IST) on July 17, 2020.

a) Visit the link: https://ris.kfintech.com/email_registration/
b) Select the Company name viz. ABB India Limited
c) Enter the DP ID & Client ID / Physical Folio Number
d) Enter the PAN details
e) Enter your E-mail address and Mobile Number
f) The system will then confirm the E-mail address for receiving this AGM Notice.

III. After successful registration of E-mail address, KFintech will send by E-mail, the AGM Notice, Annual Report and e-voting user ID and password to the Members.

26. Procedure to be followed by the Members updation of bank account mandate for receipt of dividend:

I. Send a request to KFintech at einward.ris@kfintech.com by providing the following details:
   a) Folio No., Name of the Member/s;
   b) Name and Branch of the Bank in which you wish to receive the dividend;
   c) the Bank Account type;
   d) Bank Account Number allotted by their bank after implementation of Core Banking Solutions;
   e) 9 digit MICR Code Number; and
   f) 11 digit IFSC Code

II. Along with the request, attach the scanned copy of Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), scanned copy of cancelled cheque bearing the name of the first Shareholder.

27. Other Instructions:

i. In case of any queries, you may refer Help & FAQ section of https://evoting.kfintech.com or call KFintech on 040-67162222 and Toll Free No. 1800 3454 001.

ii. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date, i.e. Friday, July 17, 2020 may obtain the login ID and password by sending a request at evoting@karvy.com.

iii. However, if you are already registered with KFintech for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on https://evoting.karvy.com or call KFintech on 1800 3454 001 / 040-67162222.

iv. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, July 17, 2020.

v. The Board of Directors has appointed Mr S Kannan, (Membership No. FCS 6261 / CP No. PCS 13016), Practicing Company Secretary and in his absence Mr B L Vinay, Practicing Company Secretary, Bengaluru, (Membership No. A26638 and CP No. PCS 10760) as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

vi. The scrutinizer shall immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting and votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding 48 hours from the conclusion of the meeting, submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman in writing for counter signature.

vii. The Results shall be declared either by the Chairman or the person authorized by the Chairman in writing and the resolutions will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour thereof.

viii. Promptly after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website at www.abb.co.in and on the KFintech's website at https://evoting.karvy.com and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.

ix. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

Statement setting out material facts under Section 102 of the Companies Act, 2013

Item No. 4 Mr. V K Viswanathan:

The Board at its meeting held on November 13, 2019, based on the recommendation of the Nomination & Remuneration Committee has appointed Mr. Viswanathan as an Additional Director under independent director category, for a term of 3 continuous years from November 13, 2019.

The Company has received a notice in writing from a member signifying his intention to propose the appointment of Mr. Viswanathan as a Director.

In the opinion of the Board, Mr. Viswanathan fulfils the eligibility criteria for an independent director in terms of Section 149 (6) of the Act and all other eligibility requirements under the applicable provisions of the Act. Mr. Viswanathan has also conveyed his written consent in the prescribed form to the above appointment.

The aforesaid appointment of Mr. Viswanathan as independent director is subject to the approval of the members at the forthcoming Annual General Meeting on July 24, 2020. Hence, the resolution at Item 4 of the Notice.

The Board considers Mr. Viswanathan's appointment as Director under independent category to be in the best interests of the Company having regard to his valuable experience and his track record and capabilities. It hence recommends the same for approval of the members.

The draft letter setting out his remuneration and the other terms of his appointment as independent director is available for electronic inspection between 11 am and 1 pm on any working day of the Company up to the date of the Annual General Meeting on July 24, 2020. Members seeking to inspect can send an E-mail to investor.helpdesk@in.abb.com

Mr. Viswanathan is interested in the resolution at Item 4 of the Notice since it relates to his appointment. No other Director or Key Managerial Personnel and / or their relatives are interested financially or otherwise in the said resolution.

Relevant details of Mr. Viswanathan are provided in the Annexure.

Item No. 5 Mrs. Renu Sud Karnad:

In terms of Section 149 of the Companies Act, 2013, the members had at the Sixty Fifth Annual General Meeting of the Company held on May 6, 2015 appointed Mrs. Renu Sud Karnad (DIN: 00008064), as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from May 6, 2015. Accordingly, the earlier term of Mrs. Renu Sud Karnad had expired on May 5, 2020.

In terms of Section 149 of the Companies Act, 2013, Mrs. Renu Sud Karnad is eligible for being re-appointed as an independent director for another term of 3 (three) consecutive years effective May 6, 2020. The Company has received a notice in writing from a member proposing her re-appointment as an independent director of the Company for another term of 3 (three) consecutive years effective May 6, 2020.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on February 12, 2020, has re-appointed Mrs. Renu Sud Karnad, as Director (Non-executive Independent) on the Board of the Company for a further period of 3 (three) consecutive years effective May 6, 2020. The Company has received a declaration that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mrs. Renu Sud Karnad fulfils the conditions specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re-appointment as an independent director of the Company.

Mrs. Renu Sud Karnad is a distinguished business leader having more than 33 years of experience in the Indian Financial Market. She serves on few reputed public and private companies. Considering her vast experience and knowledge, the Board considers her continued association with the Company to be of immense benefit to the Company. The Board, therefore, recommends the resolution as set out in Item No. 5 of the Notice for approval of members by means of a Special Resolution.

The re-appointment is recommended based on knowledge, skills, experience and performance evaluation of Mrs. Renu Sud Karnad. She has attended most of the Meetings of Board and Committees of which she is Chairperson or Member during her tenure as an Independent Director. Her performance evaluation has been considered annually by the Nomination and Remuneration Committee and the Board. She has been evaluated and rated favorably in her performance evaluation by other Directors.

Other than Mrs. Renu Sud Karnad who is interested in the Special Resolution at Item No.5 since it relates to her, none of the other Directors and/or Key Managerial Personnel of the Company and / or their respective relatives are interested, financially or otherwise, in the said Special Resolution.

Relevant details of Mrs. Renu Sud Karnad are provided in the Annexure.

Item No. 6 Mr Darius E. Udwadia:

In terms of Section 149 of the Companies Act, 2013, the Members had at the Sixty Fifth Annual General Meeting of the Company held on May 6, 2015 appointed Mr. Darius E. Udwadia (DIN: 00009755), as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from May 6, 2015. Accordingly, the earlier term of Mr. Udwadia had expired on May 5, 2020. Further during February 2019, pursuant to Regulation 17(1A)of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members approved by a Special Resolution for continuation of Mr. Udwadia, who attained the age of 75 years, as a non-executive Independent Director of the Company until the remainder of his earlier term.

In terms of Section 149 of the Companies Act, 2013, Mr. Udwadia is eligible for being re-appointed as an Independent Director. The Company has received a notice in writing from a member proposing his appointment as an independent director of the Company for another term of 3 (three) consecutive years effective May 6, 2020.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on February 12, 2020, has re-appointed Mr. Udwadia, as Director (Non-Executive Independent) on the Board of the Company for a further period of 3 (three) consecutive years effective May 6, 2020. The Company has received a declaration that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Udwadia fulfils the conditions specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an independent director of the Company.

Mr. Udwadia is a Solicitor and Advocate of the Bombay High Court. He is also a Solicitor of the Supreme Court of England. He has over 53 years' experience in, inter alia, corporate law, mergers, acquisitions and take-overs, corporate restructuring, joint ventures and foreign collaborations, project finance, real estate and conveyancing. He also actively assists the Company in implementing the best corporate governance practices. He serves on the Board of few reputed public and private companies. He has been regular in attendance the meetings of the Board and its Committees and participates proactively in their deliberations. Considering his vast experience and knowledge, the Board considers his continued association with the Company to be of immense benefit to the Company. The Board, therefore, recommends the resolution as set out in Item No. 6 of the Notice for approval of members by means of a Special Resolution.

Based on his performance evaluation and as per the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Act and rules framed thereunder and the Listing Regulations, the Board is of the opinion that, considering the expertise in specific functional areas, background and contributions made by him and the independence of judgement he brings to bear on the Board's deliberations, the continued association of Mr. Udwadia as Independent Director would be beneficial to the Company and therefore, it is desirable to continue his directorship. Hence, it is proposed to re-appoint Mr. Udwadia as a independent director for a second term of 3 (three) consecutive years from May 6, 2020.

Other than Mr. Udwadia who is interested in the Special Resolution at Item No.6 since it relates to him, none of the other Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are interested, financially or otherwise, in the said Special Resolution.

Relevant details of Mr. Udwadia are provided in the Annexure.

Item No. 7 Mr. Morten Wierod:

Following the resignation of Mr. Tarak Mehta as a Director effective June 19, 2020, the Board of Directors, at its meeting held on June 19, 2020, appointed Mr. Morten Wierod (DIN: 08753868) as a Director, liable to retire by rotation, pursuant to Section 161(4) of the Act and other applicable provisions (including any statutory modification or re-enactment thereof for the time being in force), if any, of the Act read with Article 143 of the Articles of Association of the Company, to fill in the casual vacancy caused by Mr. Mehta's resignation before the expiry of his term of office. In terms of Section 161(4) of the Act, appointment of Mr. Wierod required to be approved by the Members in this Annual General Meeting and if approved, he will hold office only up to the date up to which Mr. Tarak Mehta would have held office, had he not resigned, i.e., upto the 71st Annual General Meeting of the Company.

The Board considers that the association of Mr. Wierod as a Director of the Company will be beneficial to and in the interest of the Company.

The Directors recommend the passing of the resolution set out at Item No.7 of the accompanying Notice.

Mr. Wierod is concerned or interested in the resolution since it relates to his appointment as a Director. None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution.

Relevant details of Mr. Wierod are provided in the Annexure.

Item No. 8 Cost Auditors – approval of remuneration:

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on February 12, 2020, approved the appointment of Ashwin Solanki & Associates, Cost Accountants (Registration No: 100392) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending December 31, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor requires to be approved by the Members of the Company. Accordingly, approval of the Members is sought as referred to in the Resolution at Item No.8 of the Notice to the payment of remuneration amounting to ₹23,00,000/- (Rupees Twenty Three lakh only) per annum plus applicable taxes and out of pocket expenses actually incurred for Cost Audit for the financial year ending December 31, 2020. The Board recommends the Resolution as set out in Item No. 8 of the Notice for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No.8 of the Notice.

By Order of the Board
For ABB India Limited

B Gururaj
Company Secretary
FCS-2631

Place: Bengaluru
Date: June 19, 2020

Registered Office:
21st Floor, World Trade Center, Brigade Gateway,
No.26/1, Dr. Rajkumar Road, Malleshwaram West,
Bengaluru – 560 055
CIN: L32202KA1949PLC032923

Annexure to AGM Notice

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015]

1. Jean-Christophe Deslarzes

Name of the Director	Jean-Christophe Deslarzes	
Date of Birth / Age	12.11.1963/56 years	
Date of Appointment on the Board	08.02.2018	
Qualification	Master's degree in Law from the University of Fribourg, Switzerland.	
Brief profile and nature of their expertise in specific functional areas	Mr.Jean-Christophe a Swiss citizen. He was the Chief Human Resources Officer and member of the Executive Committee of ABB Limited, Switzerland. Mr. Deslarzes began his career in 1991 as a tax and legal consultant at Arthur Andersen in Geneva, Switzerland. From 1994 to 2010, he worked at Rio Tinto and its predecessor companies, Alcan and Alusuisse, in human resources and management roles in Europe and Canada, including as Senior Vice President, Human Resources and member of the Executive Committee of Alcan Group as well as President and CEO, Downstream Aluminium Businesses, Rio Tinto, based in Montreal. From 2010 to 2013 he served as Chief Human Resources and Organization Officer and member of the Executive Board at Carrefour Group, based in Paris.	
Details of remuneration sought to be paid	Not applicable	
Shareholding in the Company	Nil	
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any other Director and / or Key Managerial Personnel of the Company.	
Number of meetings of the Board attended during the year	During the Financial Year 2019 he has attended 9 Board meetings.	
Directorships, Memberships / Chairmanships of Committees of other Boards.	**Directorships**	**Committee Membership/ Chairmanship**
	Adecco Group	Governance and Nomination Committee - Member Compensation Committee -Chairman
	ABB Itra	-

2. Mr. V K Viswanathan

Name of the Director	V K Viswanathan
Director Identification Number (DIN)	01782934
Date of Birth / Age	20.11.1950 / 69 years
Date of Appointment on the Board	13.11.2019
Qualification	Commerce Graduate from Madras University and Chartered Accountant from the Institute of Chartered Accountants of India
Brief profile and nature of their expertise in specific functional areas	Mr. Viswanathan has more than 38 years of experience in Commercial, Finance, IT, HR matters. He was associated with the reputed Companies, Robert Bosch, Hindustan Unilever Ltd, Tata Consultancy Services. He was the President and Country Head of Bosch Group in India and Managing Director of Bosch Limited. After superannuation he was the Chairman of the Board of Directors of Bosch Limited.
Details of remuneration sought to be paid	Sitting fees for attending the Board and its Committee meetings. Profit sharing commission.
Shareholding in the Company	Nil
Key terms and conditions of appointment	He is a Non-Executive Independent Director of the Company. He is required to comply with the applicable provisions of the Companies Act, (including Schedule IV thereto) SEBI Regulations and other applicable laws.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any other Director and / or Key Managerial Personnel of the Company.

Number of meetings of the Board attended during the year	Post his appointment i.e. November 13, 2019 he has attended all Board meetings (two meetings).	
Directorships, Memberships / Chairmanships of committees of other Boards	**Directorships**	**Committee Membership/ Chairmanship**
	Bharti Airtel Limited	Audit Committee – Chairman
	HDFC Life Insurance Company Limited	Audit Committee – Chairman Nomination and Remuneration – Member
	Magma HDI General Insurance Company Limited	Audit Committee – Chairman Nomination and Remuneration – Member
	TransUnion CIBIL Limited	Audit Committee – Chairman Nomination and Remuneration – Member
	KSB Limited (formerly KSB Pumps Limited)	Audit Committee – Member
	Magma FinCorp Limited	Audit Committee – Member Nomination and Remuneration – Chairman
	United Spirits Limited	Audit Committee – Chairman Nomination and Remuneration – Member

3. Mrs. Renu Sud Karnad

Name of the Director	Renu Sud Karnad	
Director Identification Number (DIN)	00008064	
Date of Birth / Age	03.09.1952 / 67 years	
Date of Appointment on the Board	09.08.2013	
Qualification	Master in Arts, Economics, University of Delhi and Bachelor of Law, University of Mumbai	
Brief profile and nature of their expertise in specific functional areas	Mrs. Renu Sud Karnad is the Managing Director of Housing Development Finance Corporation Limited and is a distinguished business leader with 34 years of experience in the Indian Financial Sector with a strong and influential network with the corporate sector and various regulatory bodies. She also has a strong working knowledge of the Indian infrastructure sector and regulatory environment. She has won the recognition for being one of most influential and outstanding woman business leaders in India by both Indian and International associations and media like Wall Street Journal and Verve. She is a Parvin Fellow - Woodrow Wilson School of International Affairs, Princeton University, U.S.A. She is also a member BTS Investment Advisory Committee advising the Swiss Tech fund set up by the Government of Switzerland.	
Current remuneration (last drawn remuneration)	Sitting fees for attending the Board and its Committee meetings. Profit sharing commission.	
Details of remuneration sought to be paid	Sitting fees for attending the Board and its Committee meetings. Profit sharing commission.	
Shareholding in the Company	NIL	
Key terms and conditions of appointment	She is a Non-Executive Independent director of the Company. She is required to comply with the applicable provisions of the Companies Act, (including Schedule IV thereto) SEBI Regulations and other applicable laws.	
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	She is not related to any other Director and / or Key Managerial Personnel of the Company.	
Number of meetings of the Board attended during the year	During the Financial Year 2019 she has attended 9 Board meetings.	
Directorships, Memberships / Chairmanships of committees of other Boards	**Directorships**	**Committee Membership/ Chairmanship**
	Housing Development Finance Corporation Ltd.	CSR – Member Risk – Member
	HDFC Asset Management Co. Ltd.	SRC – Chairperson Risk – Member
	HDFC Ergo General Insurance Co. Ltd.	NRC – Member CSR – Member Risk – Member
	HDFC Life Insurance Co. Ltd.	Audit – Member NRC – Member Risk – Chairperson
	HT Parekh Foundation - Sec 8 company	Audit – Member

	HDFC Bank Limited	-
	Bangalore International Airport Limited	Audit – Chairperson NRC – Chairperson CSR – Member
	GlaxoSmithKline Pharmaceuticals Limited	Audit – Member NRC – Member SRC – Chairperson Risk – Member
	Unitech Limited	-

4. Mr. Darius E. Udwadia:

Name of the Director	Darius E. Udwadia	
Director Identification Number (DIN)	00009755	
Date of Birth / Age	27.09.1939 / 80 years	
Date of Appointment on the Board	21.07.2005	
Qualification	M.A, LL B.	
Brief profile and nature of their expertise in specific functional areas	Mr. Darius E. Udwadia is a Solicitor and Advocate of the Bombay High Court and a Solicitor of the Supreme Court of England. He was a partner of Crawford Bayley & Co., Solicitors & Advocates, Mumbai for 21 years. He was a founder partner of M/s. Udwadia & Udeshi, Solicitors and Advocates, Mumbai, from July 1997. In 2012, the firm was enlarged and reconstituted as Udwadia Udeshi & Argus Partners where he was a Senior Partner. Mr. Udwadia set up a new firm "Udwadia & Co" in 2015 of which he is the Sole Proprietor. Mr. Udwadia has spent over 53 years in active law practice and has vast experience in corporate law, mergers, acquisitions and takeovers, corporate restructuring, foreign collaborations, project and infrastructure finance, intellectual property, international loans and finance - related transactions and instruments, mutual funds, real estate and conveyancing.	
Current remuneration (last drawn remuneration)	Sitting fees for attending the Board and its Committee meetings. Profit sharing commission.	
Details of remuneration sought to be paid	Sitting fees for attending the Board and its Committee meetings. Profit sharing commission.	
Shareholding in the Company	3500 equity shares	
Key terms and conditions of appointment	He is a Non-Executive Independent Director of the Company. He is required to comply with the applicable provisions of the Companies Act, (including Schedule IV thereto) SEBI Regulations and other applicable laws.	
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any other Director and / or Key Managerial Personnel of the Company.	
Number of meetings of the Board attended during the year	During the Financial Year 2019 he has attended 8 Board meetings.	
Directorships, Memberships / Chairmanships of committees of other Boards	**Directorships**	**Committee Membership/ Chairmanship**
	JM Financial Limited	Audit – Member NRC – Member
	JM Financial Credit Solutions Limited	Audit – Member NRC – Chairperson CSR – Member
	Concast (India) Limited	CSR – Chairperson
	Conservation Corporation of India Pvt Ltd	-
	Habasit India Private Limited	CSR – Member
	Quantum Advisors Pvt. Ltd.	Audit – Chairperson NRC – Chairperson
	Rossi Gearmotors (India) Pvt. Ltd.	-
	Kamal Udwadia Foundation	-

5. Mr. Morten Wierod

Name of the Director	Morten Wierod	
Director Identification Number (DIN)	08753868	
Date of Birth / Age	30.4.1972 / 47 years	
Date of Appointment on the Board	19.06.2020	
Qualification	Master's Degree in Electrical Engineering Norwegian University of Science and Technology (NTNU), Norway. Graduated from the Norwegian University of Science and Technology (NTNU) in Trondheimin, Electrical Engineering.	
Brief profile and nature of their expertise in specific functional areas	Mr. Morten Wierod is currently holding the position as President-Motion Business in ABB Ltd, Switzerland. He is also a Member of the Group Executive Committee. He has more than 20 years' experience in ABB in various capacities. He has expertise in Drives, Robotics, Motion, Control Products, Low Voltage Products, Breakers & Switches, Automation Products etc.	
Current remuneration (last drawn remuneration)	Not applicable	
Details of remuneration sought to be paid	NIL	
Shareholding in the Company	NIL	
Key terms and conditions of appointment	He is a Non-Executive Non-Independent Director of the Company. He is required to comply with the applicable provisions of the Companies Act, and SEBI Regulations and other applicable laws.	
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any other Director and / or Key Managerial Personnel of the Company.	
Number of meetings of the Board attended during the year	Not applicable. He was appointed as Director on June 19, 2020.	
Directorships, Memberships / Chairmanships of committees of other Boards	**Directorships**	**Committee Membership/ Chairmanship**
	PT ABB Sakti Industri, Jakarta, Indonesia	-
	ABB Beijing Drive Systems Co., Ltd. / Beijing, CN	-

As per amended Regulation 36 of the Listing Regulations, details of Chairmanship / Membership of Audit Committee and Stakeholders' Relationship Committee are provided. Directorships in foreign companies, membership in governing councils, chambers and other bodies, Partnership in firms etc., are not provided.

Directors' Report

Your Directors have pleasure in presenting their Seventieth Annual Report and Audited Accounts for the year ended December 31, 2019.

1. Financial Results:

(₹ in Crores)

Particulars	For the year ended	
	December 31, 2019	**December 31, 2018***
Profit before tax and exceptional items	**515.35**	794.24
Profit before tax and after exceptional items	**445.65**	794.24
Tax expense:		
- Current tax	**130.32**	282.05
- Deferred tax	**11.93**	1.30
Profit after tax	**303.40**	510.89
Other comprehensive income/ (loss) (net of tax)	**(3.82)**	1.95
Balance brought forward from previous year	**798.11**	397.68
Amount available for appropriation	**1,097.69**	910.52
Demerger adjustment	**(149.93)**	-
Change in Accounting Policy (Net of Tax) Retention discounting	**9.77**	-
Appropriations:		
Equity dividend paid	**101.72**	93.24
Tax on equity dividend paid	**20.91**	19.17
Debenture redemption reserve	-	-
General reserve	-	-
Balance carried forward	**834.90**	798.11

*Figures of Financial Results for the Year 2018 includes Financial Results of Power Grids Business for the entire year, whereas figures of Financial Results stated for the year 2019 includes Financial Results of Power Grids Business only till the period ended March 31, 2019, consequent to transfer of Power Grids Business to ABB Power Products and Systems India Limited (APPSIL) pursuant to Scheme of Arrangement, details of which are provided in this Report.

2. Dividend:

Your Directors recommend payment of a dividend at the rate of ₹4.80/- (Rupees four and paisa eighty only) per share for the year ended December 31, 2019 on 211,908,375 equity shares of ₹2/- each.

3. Performance Review:

During the year, orders from continuing operations touched ₹6,970 crore as against ₹6,729 crore in the Previous Year. In the year 2019, the orders witnessed a healthy growth of 4%, reflecting the outcome of intensified customer reach initiatives and strong product portfolio incorporating digital technology in its offerings with continued traction in opportunities from transportation sector. Services and export-led orders resulted in more comprehensive customer engagements. The order backlog at the end of the year stood at ₹4,123 crore which continued to provide visibility to the future revenue streams. The revenue from continuing operations for the Company for the year 2019 stood at ₹7,315 crore as against ₹6,690 crore in the previous year, reflecting stability of operations in an uncertain market situation. Profit before tax and exceptional items was up by 30% at ₹514 crore in 2019 on higher sales as compared to ₹395 crore in the previous year mainly due to operational excellence initiatives, supply chain efficiencies, focus on project management. Net profit after tax was up by 19% at ₹302 crore for the current year as compared to ₹254 crore in the previous year. Consequently the earnings per share from continuing operations for the year 2019 stood at ₹14.26 per share as compared to ₹12.00 per share in the year 2018.

For detailed analysis of the performance, please refer to the Management's Discussion and Analysis given in Annexure - A, forming part of this Report.

4. Extract of Annual Return:

As per provisions of Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the extract of the Annual Return in the Form MGT-9 is given in Annexure – B, forming part of this report.

Copy of the Annual Return filed by the Company during the Financial Year 2019 is hosted on the website of the Company. The same can be accessed in

web-link: http://search.abb.com/library/Download.aspx?DocumentID=9AKK107680A2571&LanguageCode=en&DocumentPartId=&Action=Launch

5. Board Meetings held during the year:

During the year, 9 meetings of the Board of Directors were held and one meeting of Independent Directors was also held. The details of the meetings are furnished in the Corporate Governance Report.

6. Compliance on criteria of independence by the Independent Directors:

All Independent Directors of the Company have given declarations to the Company under Section 149 (7) of the Act that, they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Act and also under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

7. Remuneration Policy of the Company:

The Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company along with other related matters have been provided in the Corporate Governance Report.

As and when need arises to appoint Director, the Nomination and Remuneration Committee (NRC) of the Company will determine the criteria based on the specific requirements. NRC while recommending candidature to the Board, will take into consideration the qualification, attributes, experience and independence of the candidate. Director(s) appointment and remuneration will be as per NRC Policy of the Company.

A Statement of Disclosure of Remuneration pursuant to Section 197 of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in Annexure - C, forming part of this report.

8. Dividend Distribution Policy:

As required under the Regulation 43A of the Listing Regulations, the Company has a Policy on Dividend Distribution. This Policy can be accessed on the Company's website at www.abb.co.in.

9. Particulars of loans, guarantees or investments under Section 186 of the Act:

There are no loan, guarantees or made investments within the meaning of Section 186 of the Act during the year under review except a short-term inter-corporate loan of ₹500 Crore that was extended by the Company to a Group Company i.e. ABB Power Products and Systems India Limited ("APPSIL"). APPSIL is an entity to which Power Grids Business of the Company was transferred pursuant to the Order of National Company Law Tribunal, Bengaluru Bench dated November 27, 2019 sanctioning the Scheme of Arrangement between the Company, APPSIL and respective shareholders & creditors. The said loan has already been repaid by APPSIL.

10. Amount, if any, proposed to be transferred to Reserves:

During the year under review, the Company has not proposed to transfer any amount to General Reserves.

11. Material changes and commitment, if any, affecting financial position of the Company from the end of Financial Year and till the date of this Report:

There has been no material change and commitment, affecting the financial performance of the Company occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

12. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The particulars as prescribed under Section 134 of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure – D, forming part of this report.

13. Risk Management Policy:

The Company has a Risk Management Policy and constituted a Risk Management Committee as required under Listing Regulations. The Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management.

The details and the process of Risk Management as implemented in the Company are provided as part of Management's Discussion and Analysis which forms part of this Report.

14. Corporate Social Responsibility (CSR) initiatives:

The Company has a Policy on Corporate Social Responsibility and has constituted a CSR Committee as required under the Act for implementing various

CSR activities. Composition of the Committee and other details are provided in Corporate Governance Report. Education, Access to Electricity, Health Care, Environment, skills enhancement for creating employable opportunities for the differently abled personnel, etc., are the focal area under the CSR Policy.

The Company has implemented various CSR projects directly and / or through implementing partners and the projects undertaken by the Company are in accordance with Schedule VII of the Act. During the year under review, the Company has spent the required amount on CSR activities.

Detailed report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in Annexure – E, forming part of this report.

15. Annual evaluation of Board, its Committees and Individual Directors:

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and Directors pursuant to the requirements of the Act and the Listing Regulations.

Further, the Independent Directors, at their exclusive meeting held during the year, reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

16. Audit Committee:

The details pertaining to composition of the Audit Committee and terms of reference are included in the Corporate Governance Report, which forms part of this Report.

17. Demerger of Power Grids business:

During the year under review, the Bengaluru Bench of National Company Law Tribunal vide order dated November 27, 2019, sanctioned the Scheme of Arrangement between the Company, ABB Power Products and Systems India Limited (APPSIL) and respective shareholders & creditors involving the demerger of the power grids business of the Company to APPSIL under the provisions of Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 (Scheme). The Scheme has become effective December 1, 2019 consequent to Company filing the Order with Registrar of Companies, Karnataka.

Pursuant to the sanctioned Scheme, APPSIL has allotted equity shares to the shareholders of the Company on December 24, 2019. Consequently as per the Scheme, the entire investment of ₹1,00,000 (50,000 equity shares of ₹2/- each) held by the Company and its nominee shareholders stand cancelled. Accordingly APPSIL ceased to be a Subsidiary, of the Company.

18. Related Party Transactions:

The Board of Directors has adopted a policy on Related Party Transactions. The objective is to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties. All contracts or arrangements with related parties, entered into or modified during the financial year were at arm's length basis and in the ordinary course of the Company's business except the transactions reported herein below:

During the year under review, the Scheme of Arrangement for demerger of Power Grids Business of the Company to ABB Power Products and Systems India Limited (APPSIL) became effective from December 1, 2019. To ensure smooth continuation of operations of the demerged Power Grids business in APPSIL, the Company agreed to extend certain services to APPSIL by entering into some Transitional Agreements and also executed certain Lease Agreements. These agreements fall within the definition of Related Party Transaction under the provisions of Section 188 of the Companies Act, 2013, requiring disclosures to be made in Form No.AOC-2 pursuant to Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 which is attached as Annexure-F.

All contracts or arrangements were entered into only with prior approval of the Audit Committee, except transactions which qualified as Omnibus transactions as permitted under law.

Transactions with related parties, as per the requirements of Indian Accounting Standard 24 are disclosed in the notes to accounts annexed to the financial statements. Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website. Link for the same is: http://new.abb.com/docs/librariesprovider19/default-document- library/related-party-transaction-policy.pdf?sfvrsn=2

19. Reporting of frauds:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed thereunder.

20. Transfer to Investor Education and Protection Fund:

As required under Section 124 of the Act, the unclaimed dividend amount aggregating to ₹30.45 lakh lying with the Company for a period of seven years pertaining to the financial year ended on December 31, 2011, was transferred during the financial year 2019, to the Investor Education and Protection Fund established by the Central Government.

21. Particulars of Employees:

The information on employee particulars as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are given in Annexure-G, forming part of this report. In terms of Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding this Annexure. This Annexure shall be provided to Members on a specific request made in writing to the Company. The said information is available for electronic inspection by the Members on any working day of the Company up to the date of the 70th Annual General Meeting.

22. Directors' Responsibility Statement:

To the best of knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Act, that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at December 31, 2019 and of the profit and loss of the Company for the year ended on that date;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Disclosure on confirmation with the Secretarial Standards:

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

24. Corporate Governance Report and Certificate:

As required under Regulation 34 (3) read with Schedule V (C) of the Listing Regulations, a report on Corporate Governance and the certificate as required under Schedule V (E) of the Listing Regulations from Messrs V. Sreedharan & Associates, Practicing Company Secretaries, regarding compliance of conditions of Corporate Governance are given in Annexure – H and Annexure – I respectively, forming part of this report.

25. Secretarial Audit:

Pursuant to provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto and SEBI Listing Regulations, your Company engaged the services of Messrs BMP & Co. LLP, Company Secretaries, Bengaluru, to conduct the Secretarial Audit of the Company for the financial year ended December 31, 2019. The Secretarial Audit Report is given in Annexure - J, forming part of this report.

26. Business Responsibility Report:

As required under Regulation 34 of the Listing Regulations, the Business Responsibility Report forms part of the Annual Report.

27. Whistle Blower Policy:

The Company has a Vigil Mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism.

The Whistle Blower Policy is available on Company's website at www.abb.co.in.

28. Directors and Key Managerial Personnel:

The Board of Directors of the Company at its meeting held on November 13, 2019 appointed Mr V K Viswanathan (DIN: 01782934) as Additional Director (Non-Executive and Independent) of the Company for a term of 3 years effective November 13, 2019 subject to approval of the Shareholders. Accordingly the proposal for his appointment is included in the Notice of Annual General Meeting for approval of the Shareholders of the Company.

The Board of Directors of the Company at its meeting held on November 13, 2019 also appointed Ms. Diane de Saint Victor (DIN: 08560043), as Additional Director (Non-Executive and Non Independent) of the Company effective November 13, 2019, liable to retire by rotation. Ms. Diane has not opted to seek her appointment in the ensuing 70th Annual General Meeting (AGM). Hence, the proposal for her appointment is not being placed in the Notice of Annual General Meeting.

Mr. Nasser Munjee (DIN: 00010180), Mr. Darius E. Udwadia (DIN: 00009755) and Mrs. Renu Sud Karnad (DIN: 00008064), were appointed as Independent Directors of the Company in the Sixty Fifth Annual General Meeting held on May 6, 2015 to hold office for a term of 5 (five) consecutive years with effect from May 6, 2015. Accordingly, the term of appointment of these Directors has expired on May 5, 2020.

The Board of Directors however at its meeting held on February 12, 2020 proposed the re-appointment of Mr. Darius E. Udwadia and Mrs. Renu Sud Karnad as Independent Directors of the Company for another term of three consecutive years effective May 6, 2020 subject to approval of the Members at ensuing Annual General Meeting by way of a Special Resolution. The Company has received the necessary consents and declarations from Mr. Udwadia and Mrs. Karnad to act as Independent Directors of the Company and also that they meet the critieria prescribed under Section 149 of the Companies Act, 2013.

Further the Board at its meeting held on May 13, 2020 re-appointed Mr. Nasser Munjee (DIN: 00010180) as an Additional Director (Non-Executive and Independent) of the Company effective May 13, 2020 to hold office up to the conclusion of the 70th Annual General Meeting to be held during the year 2020, consequent to expiry of his earlier term of appointment on May 5, 2020. As Mr. Nasser Munjee has not opted to seek appointment at the ensuing 70th AGM, he would be holding office only up to the conclusion of said 70th AGM.

Mr. Tarak Mehta (DIN: 06995639), Director, liable to retire by rotation has tendered resignation effective June 19, 2020 before expiry of his term. Consequently, the Board at its meeting held on June 19, 2020 appointed Mr. Morten Wierod (DIN: 08753868), as Director (Non-Executive and Non-Independent) of the Company with effect from June 19, 2020, liable to retire by rotation, in the casual vacancy caused due to the resignation of Mr. Tarak Mehta. His proposal of appointment is included in the Notice of Annual General Meeting for approval of the Shareholders of the Company.

Necessary Notices under Section 160 of the Act have been received from Members proposing the candidature of the aforesaid Directors of the Company.

In accordance with the provisions of the Companies Act, 2013 read with Article 157 of the Articles of Association of the Company, Mr. J C Deslarzes (DIN: 08064621), Director, will retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

Apart from aforesaid changes there are no changes in Directors and Key Managerial Personnel of the Company. Details of Directors, Key Managerial Personnel and composition of various Committees of the Board are provided in the Corporate Governance Report forming part of this report.

The Board places on record its appreciation for the valuable services, support and guidance provided by Mr. Nasser Munjee, Mr. Tarak Mehta and Ms Diane de Saint Victor to the Company during their tenure as the Directors of the Company.

As on date, Mr. Sanjeev Sharma, Managing Director, Mr. B. Gururaj, Company Secretary and Mr. T.K. Sridhar, Chief Financial Officer, are the Key Managerial Personnel of the Company.

29. Deposits:

During the year under review, your Company did not accept any deposit within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies read with the Companies (Acceptance of Deposits) Rules, 2014.

30. Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company:

There has been no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

31. Internal Control Systems and their adequacy:

The details on Internal Control Systems and their adequacy are provided in the Management's Discussion and Analysis which forms part of this Report.

32. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. As required under law, an Internal Complaints Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. During the year 2019, two complaints of sexual harassment were received. As at the end of the Financial Year these complaints were investigated by the Internal Complaints Committee and Report is awaited.

33. Statutory Auditors:

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022), were appointed as Statutory Auditors of the Company for a term of 5 years, to hold office from the conclusion of 67th Annual General Meeting held on May 9, 2017 until the conclusion of 72nd Annual General Meeting.

34. Cost Auditor:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of the Audit Committee, has appointed Messrs Ashwin Solanki & Associates, Cost Accountants (Registration No: 100392) as Cost Auditor of the Company, for the financial year ending December 31, 2019, on a remuneration as mentioned in the Notice convening the 69th Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from Messrs Ashwin Solanki & Associates, Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking Members' approval for remuneration payable to Cost Auditor forms part of the Notice of the 70th Annual General Meeting of the Company and same is recommended for your consideration.

Cost Audit and Compliance reports for the year 2018 were filed with the Registrar of Companies, within the prescribed time limit.

35. Acknowledgements:

The Board of Directors take this opportunity to thank the Company's parent company, customers, members, suppliers, bankers, associates, Central and State Governments and employees at all levels for their support and co-operation extended to the Company during the year.

For and on behalf of the Board

J C Deslarzes
Chairman
DIN: 08064621

Place: Bengaluru
Date: June 19, 2020

Annexure – A to Directors' Report

Management's Discussions and Analysis

Economic and market overview

2019 was a year of elections, transformation and managing growth with India benefitting from certain conducive factors, which were deemed volatile globally. The year in review witnessed sporadic pockets of growth. The slowdown and uncertainty in certain areas including manufacturing persisted with some respite towards the end of the year.

The conducive global environment included factors such as flush of liquidity owing to low interest rates and stable oil prices notwithstanding trade volatilities for the Indian market. The Brent prices have averaged USD 65 per barrel year-to-date in FY20 as against USD 70 per barrel a year before. The Indian Rupee which closed at 2.23 percent lower, had become Asia's best performing currency in the beginning of the year buoyed by the hopes of a decisive electoral mandate.

Indian equities markets were the silver lining in the global and domestic gloomy macro weather. India attracted USD 19 billion worth net portfolio inflows in CY2019, strongest since 2017. Moreover, foreign flows into equities was the highest in nearly six years. Net FDI has risen 16 per cent in first ten months of the FY20 compared to the same period year ago. India's GDP growth is expected to be at 5 percent for FY20 as compared to earlier projections of 6.8 percent for FY19 as revealed by the National Statistical Office.

As per government reports planned infrastructural investment worth Rs 102 lakh crores in ten infrastructural projects including national pipeline. The government also approved 100 percent FDI in contract manufacturing making the economy more lucrative for investors. In a bid to boost investment and manufacturing, Govt reduced corporate tax rates by 10 percentage points. In 2019, industry showed a steady pattern for execution of projects even after limiting statistics in the last few months of 2019 however project planning showed a clear downturn due to the overall economic conditions.

The company continued its focus on the solid fundamentals for quality growth at a time of constricted market opportunities. The growth windows offered in capital goods, limited revival in process industries, transportation and energy were reflected in diversified order books. Brownfield investment brought greater attention to operational excellence initiatives putting the spotlight on digital solutions for data centers, process industries, pharma and food and beverage.

Operational overview

2019 being the year of transformation for ABB, the Company ensured a seamless transition of the Power Grid's business as a demerged entity and put up another world-class company for the customers in ABB Power Products and Systems India Limited. All this was done while ensuring a consistent delivery of profitable growth for ABB India and its shareholders.

2019 witnessed the launch of many digital initiatives and processes which enriched the experience of the customer and partners eco-system for the business. A dedicated digital payment portal was launched for channel partners, while a series of webinars were piloted for consultants' outreach on the upcoming technology updates to add value to their businesses. Company also expanded the reach of our Customer Connect Program to the overseas market of Bangladesh.

Market leading products were also launched like Emax2 – digital circuit breakers, IE4 motors, ultra-low harmonic drives and the first made in India digital solution for real time condition monitoring – Digi Sampler 2.0, were launched to empower our customers to improve productivity and efficiency while complying with regulatory requirements. This also included the launch of the first of its kind digital solutions and they resulted in successful pilots and orders – MineOptimize for Indian mining companies, low voltage switchgear remote digital monitoring, and intelligent engine performance software – ABB Ability Tekomar Expert.

While serving our customers, we have worked tirelessly to maintain the highest level of safety and sustainability in our processes. With our focus on safer operations, we have improved in our hazard reporting and thus have shifted focus to resolving them to the tune of 97 percent in 2019. This has immensely helped us to reduce our total incident rate. On the environment front, ABB India operations have been successful in recycling 93 percent of its waste, 32 percent of water and we have sourced 31 percent of our power from green energy.

India's first digital smart Factory in switchgear manufacturing Industry was taken to the next level operationally in Bengaluru and Nashik. The motors team also expanded their manufacturing range, the drives team expanded its manufacturing with service centers and line expansion to cater to the next generation drives with local

language interface and next generation of solar pump drives. 2019 was also marked by the opening of the first CoE for global advanced digital services by the collaborative operations center in metals, cement and cyber security. This center would be a benchmark for similar ones globally for ABB.

Multiple partnerships and amplification of association marked 2019. ABB India signed a MoU with a leading private distribution company in the national capital to improve the power distribution network, focusing on safety, reliability and flexibility for future needs and to pilot ABB's smart substation control and protection devices. As part of our global association we also engaged with Nobel Media organization.

During the year, orders touched ₹ 6970 crore as against ₹ 6729 crore in the previous year excluding Power Grid, as the same has been demerged and is now a separate legal entity. In 2019, the Company posted a revenue of ₹ 7315 crore, a growth of 9 percent, leveraging ABB's portfolio offerings and technology leadership in growth sectors like transportation, energy efficiency, building automation, etc.

Profit after tax was at ₹ 302 crore in 2019 driven by portfolio mix and high margin focus areas of export and service. Profit before tax was at ₹ 514 crore for the year under review. Consequently, the earnings per share for 2019 stood at ₹ 14.26 per share as compared to ₹ 12 per share in 2018 for continuing operations without PG.

Exports

2019 was the third year of strong double-digit growth in exports for ABB India. All businesses contributed to the growth story. The best in class global technology enabled product offerings continue the "made in India for the world" story in markets like Latin America, where recent inroads were made with medium voltage breakers and the recent innovation of auto reclosers. Middle East and Africa were strong markets for ABB solutions for process industries. The year also witnessed the global success of LV IEV motors resulting in the biggest ever growth for Motion exports. As compared to the market conditions with the slowdown in automotive sector, our robotics business managed to turn the tide to a certain extent posting significant growth in robotics exports.

Operational excellence

The Company set operational excellence benchmark within ABB globally, as ABB India completed the internal and external processes pertaining to the demerger of the Power Grids business well within the stipulated timeline with dedicated workstreams managing various aspects.

The four leading businesses aligned with customer patterns Electrification, Industrial Automation, Robotics & Discrete Automation and Motion (combining ABB's market-leading offering in motors and drives) have consistently delivered resilient growth in orders, revenue and profits for the year with better product mix, improved value offering and production efficiency

During the year, the Company adopted various initiatives across people and processes with deployment of digital technology aimed at strengthening our position in an era of fourth industrial revolution. The focus was on balancing solutions for traditional areas of business as well as emerging ones and targeting metros as well as reaching out to tap the growth in tier 2 cities. Simultaneously making the Company's internal processes smarter across functions with continued drive on quality and safety to consistently create value for our various stakeholders and the nation.

Outlook

Stimulus led growth with structural and economic reforms are expected to pave way for gradual growth pickup. By leveraging a solid foundation built over similar market conditions in the last few years, the Company will continue to leverage pockets of stabilization and continue its value-based engagements with the customers while looking at modernization of existing capacities and adopting digitalization.

The push on infrastructure, job creation and financial reforms are expected to provide some balance to the supply-demand ratio in the economy and manage the structural and cyclical headwinds. On a longer-term basis, the structural growth drivers and stimulus measures are likely to usher in some stability for the wider economy subject to global easing.

Electrification

Summarised performance:

(₹ in crore)

Particulars	2019	2018
Orders	**2969**	2754
Order backlog	**1302**	1337
Revenue	**3019**	2616
Results	**297**	250

Segment performance

The business continued its growth trend in a challenging business environment, keeping its focus on developing market share by customer-centric activities. Our ABB Technology Day continued to draw customers. We created success stories in retail from Bihar to Gujarat with enhanced focus on tier 2 cities and the pilot of a series of successful webinars for consultants on future technology and business trends. Best in class portfolio offerings with digital capabilities like MyRemoteCare and EDCS were appreciated by customers and translated into business

opportunities from tyre manufacturers to leading cloud storage and data center companies. with market leading products like Emax2 and IVIE switches has transformed industrial operations and living spaces into smarter, connected and intelligent versions. The consolidation of our low and medium voltage solutions of digitalization offerings for Indian buildings will create a new customer experience and render next level building management efficiency. TrueOne ATS, Compact MCB, UMC Relays, Terra EV Chargers, Relion Relays, Wavepro Busways are some of our products which have served the customers in 2019 also, creating value for their installations. The export growth in MV breakers and switches was another success story for the year. The year also witnessed the announcement of the acquisition of the solar inverter business to FIMER, an Italian company.

Major orders booked during the year:

- ABB played a key role in metros this year with major orders booked from Pune, Bangalore and Mumbai metros. ABB will provide 33kV Primary AIS, GIS & 25kV Traction GIS for power distribution for the metro rail.
- ELDS booked largest order of LVS for TATA Steel for their expansion (from 5 to 10 MTPA) at Kalinganagar. ABB MNS will provide power to the steel plant for their critical application for process and system
- An important order for "Shri Mata Vaishno Devi Shrine Board, Katra for reliable and smart power distribution along the route. This is very prestigious project where almost 1 crore people pay a visit every year
- Penetrated Datacenter segment with important orders from a retail & Cloud Computing Companies
- Orders for smart cities of Ujjain and Ranchi for RMU and CSS

Major orders successfully commissioned/supplied during the year:

- Building automation solutions for leading hospitality chain's property in Kolkata, New Delhi and Amritsar
- Largest order for MyRemoteCare, for the remote condition monitoring of electrical panels in manufacturing plant of the largest tyre manufacturer in the country
- Successful commissioning of First 25kV traction GIS helping run first phase of Nagpur Metro
- Focused approach towards Digitalization initiatives enabled to Book first order of Zenon SCADA (ZEE600) for a leading carbon black manufacturer to support customer for remote monitoring & control

Segment Outlook

The multi-pronged customer outreach strategy will be deepened to manage any macro headwinds in the market. From emerging high growth segments to deeper penetration of the tier 2 markets with greater focus on exports and service will aid in the delivery of consistent growth. The business will strive to build solution leadership and reinforce hardware in e-mobility, leverage e -commerce models and address the mid-range market with new products and solutions, where innovation will play a key role.

Motion

Summarised performance:

(₹ in crore)

Particulars	2019	2018
Orders	**2338**	2331
Order Backlog	**1462**	1724
Revenue	**2618**	2250
Results	**242**	191

Segment Performance

Motion business sustained its growth momentum in 2019 despite the challenging business environment. Securing positive revenue and order growth, the two business lines - drives and motors & generators upheld its position in key sectors it operates in. Food and Beverage (F&B), HVAC, metal, COG, water & wastewater and infrastructure segments continued to offer new opportunities and remained the growth drivers. Revival of the wind business further propelled the overall growth momentum of motors and generators business line.

A healthy order book and focused execution combined with right product mix helped improve margins. Top line was helped by the traction convertor orders and a notable success - breakthrough order for traction motors for the India railways. Export earnings increased during the year and the business holds potential to further improve export orders by leveraging its local manufacturing units. Seeking growth opportunities in market, new and segment-focused channel partners were appointed in tier II and tier III cities, in addition to foraying in the e-commerce platforms with the listing of drives and motors.

Successful commissioning of the world's largest single-location lift irrigation project - Kaleshwaram Lift Irrigation Project in Telangana was another milestone in 2019. The business deployed its large synchronous motors, load commutated inverter (LCI) drive solution, control relay panels, switchgears and breakers for this mega project.

Motion digitalization portfolio continued to optimize the processes and efficiencies of various industrial customers. With over 900 smart sensors and 600 plus remotely monitored drives in the market, the business introduced the cutting-edge, innovative digital powertrain concept in India. ABB Ability™ Condition Monitoring for powertrains enables full transparency on key parameters for drives, motors, mounted bearings and pumps, and can be used in applications such as compressors, conveyors, mixers and extruder main shafts.

New technology, product range, and capacity expansion activities during the year:

- Successfully commissioned the world's largest single-location lift irrigation project - Kaleshwaram Lift Irrigation Project in Telangana
- Offering slip-ring and square cage induction motors, the Vadodara motor manufacturing unit became a global feeder factory to meet the growing demands of the MEA, Latin America and US region
- Opened a new motor testing facility and expanded LV motor manufacturing line at Faridabad to cater to the MEA demand
- New Drive Service Workshop inaugurated at ABB's Faridabad facility providing prompt support to customers for repair, exchange and reconditioning
- Expanded traction converter line and introduced ACS580 MV drive at Nelamangala facility

Major orders booked during the year:

- Single largest MV motor order from Sulzer India for an international oil major's CRISP project
- Bagged the largest order for IE 4 motor from SMC power, along with smart sensors
- CST / MPT order for 32 nos long distance coal conveyer
- Large Drive order for crane application from KONE cranes for JSW
- Revival of Gamesa order for wind generators
- Propulsion system and composite converter orders from Chittaranjan Locomotive Works (CLW) and Diesel Locomotive Works (DLW), Varanasi
- Aux converter order from Alstom for the Montreal Metro project

Segment outlook

Sectors like Transportation, Steel and Water & Waste Water have been performing well however, Cement, Power and Oil & Gas have shown signs of slowing but are expected to bounce back in the coming quarters. Textile, F&B, HVAC segments were impacted by the ongoing economic headwind, nevertheless their growth forecast remains positive. Government's push on railway electronification and infrastructure expansions keeps up the growth momentum.

Awards and recognition

The business once again received the coveted gold category award for wind generator manufacturing company - 2019 from India Wind Energy Forum. Key customers such Alfa Laval, Prime Metal Industries, Ingersoll-Rand and Xylem bestowed recognition for Quality and 'On Time Delivery'. Karaikal Port authorities in Tamil Nadu acknowledged drives service business for their exemplary support during 'Connect 2019 event'.

Industrial Automation

Summarised performance:

(₹ in crore)

Particulars	2019	2018
Orders	**1574**	1701
Order backlog	**1284**	1336
Revenue	**1563**	1540
Results	**96**	190

Segment Performance

Growth and focus on the gas transportation, distribution, hydro power and water automation segments helped make up sluggish rate of growth in investments in greenfield refinery, thermal power and petrochemical domain. City gas monitoring solutions in cities like Mumbai and Bengaluru ensured optimized usage of cleaner fuel.

In the transportation segment, the turbocharging business secured a good market share. The business will expand the portfolio with new product developments and digital applications in locomotives, as the rail market is undergoing modernization phase.

In the power generation segment, we continued to face headwinds due to low plant load factor and shifting from thermal and renewable energy sources. Clean fuel projects initiatives by Government of India has helped the business line get business opportunities in gasoline blending packages from refineries.

Environmental regulations impacted increased investments in power plants for FGD projects helped the growth in the business in this area. In 2019, we also pioneered the first made in India digital solution for real time condition monitoring – Digi Sampler 2.0, to empower our customers to comply with regulatory requirements while improving productivity.

Consolidation in the steel market and slowdown in the auto sector has impacted new CAPEX additions and production. The process industries segment launched the digital solutions for Indian mining companies, which also resulted in the first of its kind order from the third largest zinc mine in the world in India. 2019 was also marked by the opening of the first CoE for global advanced digital services by the Collaborative Operations Center in metals, cement and cyber security. This center would be a benchmark for similar ones globally for ABB. The service business has seen a robust growth and digital orders have started coming in.

Major orders booked during the year:

- Orders from HPCL, IOCL for BSVI Advanced Blending application; Gas distribution solutions from Mahanagar Gas for city of Mumbai and GAIL Gas limited for city of Bangalore; Gas transportation and pipeline solutions – major contributor to country's clean fuel initiative
- Order for state of art Electrical Technical room and Instrument & Telecom room solution strengthens ABB's position as a Major Automation and Electrical partner
- Order for automation of Hydro Power and Water process plant
- Breakthrough order for Datacenter automation for multiple locations
- First breakthrough for digitalization order in mining sector
- New customers in the mining space for aluminum smelter (electrification and instrumentation) and copper refinery (eBOP and instrumentation)
- Precision equipment and instrumentation package from refinery majors
- ABB Ability Tekomar XPERT for engine performance digital solutions for leading M Pallonji Logistics
- Order from India diversified Indian conglomerate for container terminal electrics at Myanmar
- Install electrification and automation systems at RCCPL's new plant with ABB Ability™ Expert Optimizer to maximize production

Segment outlook

Global trade growth slowing since early 2018, signaling potential wider economic slowdown and affecting the marine business in India.

With Govt Initiatives and our product portfolio expansion in digital, we will strive to grow in the shipping business. The commercialization of coal mining has opened doors for global players. The increased focus on clean energy/ fuel and increasing the share of renewable energy initiatives will drive growth in city gas distribution. Growth in cement and steel primarily driven by the country's infrastructure thrust. Growth in the mining sector anticipated from the commercialization of coal mining that has opened doors for global players. The process industries customers are looking at improving efficiencies and reliability by introducing advanced digital techniques into their value chains. Indian Life Sciences industry continues to be a significant contributor to meet the global demands of vaccines and generic medicines. Gaining momentum and growing awareness of digitalization in the energy domain is likely to be another growth driver.

Robotics and Discrete Automation

Summarized performance:

(₹ in crore)

Particulars	2019	2018
Orders	**269**	307
Order backlog	**144**	136
Revenue	**272**	253
Results	**24**	29

Segment Performance

Despite difficult market conditions, Robotics business managed to grow in terms of revenue, order backlog and make significant headway for exports in 2019. A healthy order book and focused execution helped full year revenue growth in 2019. However, slowdown in manufacturing across key segments resulted in reduced order bookings compared to 2018. Profitability also came under stress due to reduced capital spending and operational expenditure towards service and maintenance.

Automotive manufacturers and component suppliers continued to face headwinds over policy uncertainties, hence reduced their capital expenditure owing to reduced consumer demand and rationalization of capacity/ inventory.

Food and beverage and consumer segments continued their investments towards during this period modernization of capacities for productivity and efficiency.

Consumer electronics segment is showing strong growth potential with customers investing in robotic automation for productivity gains.

Major orders booked during the year:

- Painting and sealing system from a major Indian and Japanese Automotive OEM
- Robotic automation of multiple production sites of a major multinational consumer goods company
- Orders from leading consumer electronics brands to automate their local assembly lines

Segment outlook

Automotive demand will continue to be uncertain over the next few quarters. Manufacturing activity in metals and plastics segment will be dependent on the revival of economic growth. Food and Beverage, consumer goods and warehousing automation are showing strong signs of growth and the with the existing product portfolio and application expertise, the business is well in line to support customers with cost efficient flexible automaton solutions.

Human Resources

The company's human resource function continued to help ABB to achieve its strategic mission, while ensuring that the employees remained engaged and motivated, amidst the global transformation efforts. Our people strategy remained aligned with the company's overall ambition to be a pioneering technology leader while ensuring that employees stay focused in the marketplace and continue to delight our customers with exceptional product and service delivery. The function ensured that the transformation was carried out with sharp focus on the objectives and with high degree of collaboration across local and global business units and functions. This will position ABB to be more competitive and responsive in the market and also help grow the business at a much rapid pace.

During the year, the company has consistently set a clear path to learn and adapt to perform better in the changing market situation. The HR strategy supported this with its focus on enhanced performance orientation, a comprehensive talent strategy to hire, engage and develop talent and enabling a culture that fostered collaboration, risk taking and above all a culture that is value based. Apart from various Global Leadership program and soft skills development programs, new initiatives like LEAD and RISE were launched this year. While LEAD program focused on grooming high potential talent to enhance their career growth opportunities, RISE development program was focused on developing exceptional women leaders within organization. Overall the team deliver 5500+ man-days of behavior and leadership training during the year. There was continued focus on creating a more diverse and inclusive (Diversity &Inclusion) workplace, where individual differences are appreciated and where we all unite to write the future together. Throughout the year multiple initiatives were launched to strengthen the diversity and inclusion objectives of the Company.

Our efforts were validated as ABB India was mentioned in the 2019 Working Mother & Avtar 100 Best Companies for Women in India list as well as the 'Exemplar of Inclusion' in the very first edition of Working Mother & Avtar Most Inclusive Companies in India (MICI) Index. The reward and recognition program (Trailblazer) helped celebrate exceptional performance as well as recognize behaviors that are in line with the company values. Multiple initiatives were also launched to establish the Employee Value Proposition so that ABB can continue to attract top talent.

This year, ABB globally has introduced the Engagement survey to help develop a culture of collaboration, open feedback and dialogue at ABB. ABB India received an overall positive employee engagement score of 75 which is higher than the benchmark for comparable companies as well as the ABB group score. What was even more heartening was the positive scores on the areas of integrity, safety, pride, role clarity, customer focus and purpose. At the close of 2019, the Company had 5542 permanent employees (including PG), as against 5531 in 2018.

Finance

Despite the significant cut in the interest rates by the RBI during the second half of the year, the liquidity in the market remained tight. In addition to limited funding, the existing capacity glut translated to even lesser investment by industries in greenfield and brownfield projects. In addition, the Company's reputation in the market and long-term goodwill with leading banks ensured advantageous arrangements of various finance facilities. In 2019, the interest cost borne by the Company was ₹ 21.4 crore compared to ₹ 53.9 crore in 2018. As of December 31, 2019, the Company had the net cash balance of ₹ 1595 crore. In terms of foreign currency exposure – for imports and exports – the Company continued to conservatively hedge at the point of commitment to protecting the contract margins.

Internal control systems and Integrity

Internal Controls in the Company has been designed to further the interest of all its stakeholders by providing an environment, which is conducive to conduct its operations. In doing so, the Company's Internal Control environment has evolved over a decade to take care of, inter alia, financial and operational risks. The organization has a holistic Internal Control framework comprising of elements like Country Management Committee, Group Directives and Instructions, Local Management Instructions, Process and Entity-Level Controls, Enterprise Risk Management, Local Direct Management Testing Programs, and a strong emphasis on integrity and ethics as a part of work culture. An independent service provider, having expertise in the field, has performed current year's Internal Financial Control effectiveness testing. Effective Statutory & Legal Compliance System is in place in the Company.

A well-organized Group level tool (GRCM) is available to handle testing, Internal Audit Issues, deficiency tracking, etc. Further, the in-house independent Internal Audit team acts as a pillar to support our control objectives. ABB India also has a well-functioning Whistle Blower Policy in place to report any misdoing. Internal Control framework of ABB India is aligned with one of the most matured IC frameworks – COSO 1992 and then transitioned to COSO 2013. The current framework is also in line with the Internal Finance Control (IFC) requirement of The Companies Act, 2013.

Risk management

The Company has a Risk Management Charter and Policy, which provides an overall framework for Risk Management (RM) in the Company. The key elements of the company's risk management framework have been captured in the risk management policy, which details the process for identifying, escalating, prioritizing, mitigating and monitoring key risk events and action plans. The assessment of the risks covers areas of Strategy, Technology, Finance, Operations and Systems, Legal & Regulatory and Human Resources Risks. There are appropriate assurance and monitoring mechanisms in place to monitor the effectiveness of the risk management framework including the mitigation plans identified by the management for key risks identified through the risk management exercise.

The Company's existing framework provides for risk reviews at various levels based on company's organizational structure matrix. Periodic assessment of risks, potential impact relating to business growth, profitability, talent engagement, and market position are conducted. Response to key operational risks, based on inputs received from the internal and external assessment, internal audit, performance review etc. are done on a regular basis.

Annexure - B to Directors' Report

Form No. MGT-9

[Pursuant to Section92(3) of the Companies Act, 2013 and Rule12(1) of the Companies (Management and Administration) Rules, 2014]

Extract of Annual Return

As on the financial year ended on 31.12.2019

Sl. No.	Particulars	Details
i.	CIN	L32202KA1949PLC032923
ii.	Registration Date	24.12.1949
iii.	Name of the Company	ABB India Limited
iv.	Category / Sub-Category of the Company	Public Company, Limited by Shares
v.	Address of the Registered office and contact details	21st Floor, Word Trade Center, Brigade Gateway, No.26/1, Dr.RajkumarRoad, Malleshwaram West, Bengaluru – 560055 Phone:+91 80-22949150 to 22949153 Fax: +91 80-22949148
vi.	Whether listed company	Yes
vii.	Name, Addressand Contact details of Registrar and Share Transfer Agents, if Any	KFin Technologies PrivateLimited Selenium Tower B, Plot Nos. 31 & 32 | Financial District Nanakramguda |Serilingampally | Hyderabad - 500032 | India. Phone: 1800 3454 001 / 040 6716 2222 Fax: 040 – 2342 0814 Email: einward.ris@kfintech.com

I. REGISTRATION AND OTHER DETAILS:

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company

Sl. No.	Name and Description of main products/services	NIC Code of the Product / service	% to total turnover of the Company
1	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	271	77
2	Manufacture of other electrical equipment	279	15

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	ABB Asea Brown Boveri Limited Affolternstrasse 44 P.O. Box 8131 CH-8050, Zurich, Switzerland	NA	Holding	75.00	2(46)
2	ABB Power Products and Systems India Limited 8th Floor, Brigade Opus 70/401, Kodigehalli Main Road Bangalore – 560092 * Ceased to be a Subsidiary	U31904KA2019PLC121597	Subsidiary*	100.00	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of total Equity):

i. Category-wise ShareHolding:

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**Promoter and Promoter Group**									
(1)	Indian									
(a)	Individual / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1):	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Foreign									
(a)	Individuals (NRIs / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	15,89,31,281	0	15,89,31,281	75.00	15,89,31,281	0	15,89,31,281	75.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2):	15,89,31,281	0	15,89,31,281	75.00	15,89,31,281	0	15,89,31,281	75.00	0.00
	Total A=A(1)+A(2):	15,89,31,281	0	15,89,31,281	75.00	15,89,31,281	0	15,89,31,281	75.00	0.00
(B)	**Public Shareholding**									
(1)	Institutions									
(a)	Mutual Funds / UTI	1,46,88,201	0	1,46,88,201	6.93	1,45,09,299	0	1,45,09,299	6.85	-0.08
(b)	Financial Institutions / Banks	1,40,09,359	4,660	1,40,14,019	6.61	1,10,68,744	4,660	1,10,73,404	5.23	-1.39
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	67,15,187	0	67,15,187	3.17	71,70,509	0	71,70,509	3.38	0.21
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1):	3,54,12,747	4,660	3,54,17,407	16.71	3,27,48,552	4,660	3,27,53,212	15.46	-1.26
(2)	Non-Institutions									
(a)	Bodies Corporate	20,56,636	9,114	20,65,750	0.97	13,32,291	7,884	13,40,175	0.63	-0.34
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs 1 lakh	1,20,99,340	17,73,662	1,38,73,002	6.55	1,21,80,305	15,61,146	1,37,41,451	6.48	-0.06
	(ii) Individuals holding nominal share capital in excess of Rs 1 lakh	5,61,441	0	5,61,441	0.26	8,23,569	0	8,23,569	0.39	0.12
(c)	Others									
	Clearing Members	35,063	0	35,063	0.02	31,639	0	31,639	0.01	0.00
	Foreign Nationals	0	705	705	0.00	0	705	705	0.00	0.00
	IEPF	5,37,523	0	5,37,523	0.25	5,37,471	0	5,37,471	0.25	0.00
	Non Resident Indians	1,32,146	1,440	1,33,586	0.06	2,38,257	1,645	2,39,902	0.11	0.05
	NRI Non-Repatriation	3,35,527	0	3,35,527	0.16	3,66,172	0	3,66,172	0.17	0.01
	Trusts	17,090	0	17,090	0.01	4,152	0	4,152	0.00	-0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2):	1,57,74,766	17,84,921	1,75,59,687	8.29	1,55,13,856	15,71,380	1,70,85,236	8.06	-0.22
	Total B=B(1)+B(2):	5,11,87,513	17,89,581	5,29,77,094	25.00	4,82,62,408	15,76,040	4,98,38,448	23.52	-1.48
	Total (A+B):	21,01,18,794	17,89,581	21,19,08,375	100.00	20,71,93,689	15,76,040	20,87,69,729	98.52	-1.48
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group									
(2)	Public									
	Grand Total (A+B+C):	21,01,18,794	17,89,581	21,19,08,375	100.00	20,71,93,689	15,76,040	20,87,69,729	98.52	

ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Share holding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	ABB Asea Brown Boveri Ltd	15,89,31,281	75.00	0	15,89,31,281	75.00	0	0
	Total	**15,89,31,281**	**75.00**	**0**	**15,89,31,281**	**75.00**	**0**	**0**

iii. Change in Promoters' Shareholding (please specify, if there is no change): NIL

iv. Share holding pattern of top ten shareholders (Other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	Name/ Date	Type	Share holding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	LIC OF INDIA GRATUITY PLUS BALANCE FUND -					
	1/1/2019	Opening Balance	1,21,34,664	5.73	--	--
	18/01/2019	Sale	-36,702		1,20,97,962	5.71
	25/01/2019	Sale	-2,29,279		1,18,68,683	5.60
	01/02/2019	Sale	-3,18,988		1,15,49,695	5.45
	08/02/2019	Sale	-87,715		1,14,61,980	5.41
	15/02/2019	Sale	-77,104		1,13,84,876	5.37
	22/02/2019	Sale	-26,784		1,13,58,092	5.36
	01/03/2019	Sale	-3,78,783		1,09,79,309	5.18
	08/03/2019	Sale	-1,49,360		1,08,29,949	5.11
	15/03/2019	Sale	-3,27,933		1,05,02,016	4.96
	22/03/2019	Sale	-2,07,421		1,02,94,595	4.86
	09/08/2019	Sale	-15,102		1,02,79,493	4.85
	16/08/2019	Sale	-34,065		1,02,45,428	4.83
	23/08/2019	Sale	-82,345		1,01,63,083	4.80
	30/08/2019	Sale	-54,958		1,01,08,125	4.77
	06/09/2019	Sale	-30,300		1,00,77,825	4.76
	13/09/2019	Sale	-9,560		1,00,68,265	4.75
	20/09/2019	Sale	-24,564		1,00,43,701	4.74
	27/09/2019	Sale	-29,067		1,00,14,634	4.73
	04/10/2019	Sale	-1,21,394		98,93,240	4.67
	11/10/2019	Sale	-25,059		98,68,181	4.66
	18/10/2019	Sale	-39,698		98,28,483	4.64
	25/10/2019	Sale	-51,533		97,76,950	4.61
	01/11/2019	Sale	-30,687		97,46,263	4.60
	08/11/2019	Sale	-23,248		97,23,015	4.59
	06/12/2019	Sale	-1,44,527		95,78,488	4.52
	13/12/2019	Sale	-27,919		95,50,569	4.51
	31/12/2019	Closing Balance	--	--	95,50,569	4.51
2	RELIANCE ETF-JUNIOR BEES INVESTMENT					
	1/1/2019	Opening Balance	87,11,788	4.11	--	--
	04/01/2019	Purchase	27,483		87,39,271	4.12
	11/01/2019	Sale	-69,576		86,69,695	4.09
	25/01/2019	Sale	-98,000		85,71,695	4.05
	08/02/2019	Sale	-27,553		85,44,142	4.03
	22/02/2019	Purchase	3,45,000		88,89,142	4.19
	01/03/2019	Sale	-1,00,000		87,89,142	4.15
	15/03/2019	Sale	-45,000		87,44,142	4.13
	05/04/2019	Purchase	24,082		87,68,224	4.14
	19/04/2019	Sale	-1,29,700		86,38,524	4.08
	26/04/2019	Sale	-96,403		85,42,121	4.03
	03/05/2019	Sale	-1,48,915		83,93,206	3.96
	10/05/2019	Sale	-1,30,169		82,63,037	3.90
	24/05/2019	Sale	-92,280		81,70,757	3.86
	31/05/2019	Sale	-62,500		81,08,257	3.83
	07/06/2019	Sale	-50,015		80,58,242	3.80

Sl. No.	Name/ Date	Type	Share holding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	14/06/2019	Sale	-2,03,812		78,54,430	3.71
	21/06/2019	Sale	-7,000		78,47,430	3.70
	28/06/2019	Sale	-7,500		78,39,930	3.70
	05/07/2019	Sale	-25,132		78,14,798	3.69
	12/07/2019	Sale	-29,321		77,85,477	3.67
	26/07/2019	Sale	-3,52,571		74,32,906	3.51
	02/08/2019	Sale	-74,600		73,58,306	3.47
	09/08/2019	Sale	-20,069		73,38,237	3.46
	16/08/2019	Sale	-4,044		73,34,193	3.46
	30/08/2019	Sale	-38,000		72,96,193	3.44
	27/09/2019	Sale	-2,87,419		70,08,774	3.31
	30/09/2019	Purchase	49,753		70,58,527	3.33
	04/10/2019	Purchase	28,419		70,86,946	3.34
	18/10/2019	Sale	-77,000		70,09,946	3.31
	25/10/2019	Sale	-1,52,100		68,57,846	3.24
	01/11/2019	Sale	-97,966		67,59,880	3.19
	08/11/2019	Sale	-1,000		67,58,880	3.19
	15/11/2019	Purchase	1,34,966		68,93,846	3.25
	15/11/2019	Sale	-75,000		68,18,846	3.22
	22/11/2019	Sale	-5,42,500		62,76,346	2.96
	06/12/2019	Purchase	16,000		62,92,346	2.97
	27/12/2019	Purchase	27,000		63,19,346	2.98
	31/12/2019	Purchase	18,000		63,37,346	2.99
	31/12/2019	Closing Balance	--	--	63,37,346	2.99
3	SBI MAGNUM TAXGAIN SCHEME					
	1/1/2019	Opening Balance	19,53,687	0.92	--	--
	04/01/2019	Purchase	178		19,53,865	0.92
	11/01/2019	Purchase	34,971		19,88,836	0.94
	18/01/2019	Purchase	9,596		19,98,432	0.94
	01/02/2019	Purchase	2,98,926		22,97,358	1.08
	08/02/2019	Purchase	23		22,97,381	1.08
	15/02/2019	Purchase	2,63,423		25,60,804	1.21
	22/02/2019	Purchase	46		25,60,850	1.21
	01/03/2019	Purchase	2,33,523		27,94,373	1.32
	08/03/2019	Purchase	3,32,191		31,26,564	1.48
	15/03/2019	Purchase	494		31,27,058	1.48
	22/03/2019	Purchase	424		31,27,482	1.48
	29/03/2019	Purchase	342		31,27,824	1.48
	05/04/2019	Purchase	194		31,28,018	1.48
	12/04/2019	Purchase	429		31,28,447	1.48
	19/04/2019	Purchase	22,730		31,51,177	1.49
	26/04/2019	Purchase	1,87,484		33,38,661	1.58
	03/05/2019	Purchase	2,473		33,41,134	1.58
	10/05/2019	Purchase	1,87,269		35,28,403	1.67
	17/05/2019	Purchase	1,904		35,30,307	1.67
	17/05/2019	Sale	-15,000		35,15,307	1.66
	24/05/2019	Purchase	822		35,16,129	1.66
	31/05/2019	Purchase	493		35,16,622	1.66
	31/05/2019	Sale	-3,300		35,13,322	1.66
	07/06/2019	Purchase	512		35,13,834	1.66
	14/06/2019	Purchase	623		35,14,457	1.66
	21/06/2019	Purchase	730		35,15,187	1.66
	28/06/2019	Purchase	1,876		35,17,063	1.66
	05/07/2019	Purchase	1,659		35,18,722	1.66
	12/07/2019	Purchase	1,223		35,19,945	1.66
	19/07/2019	Purchase	1,052		35,20,997	1.66
	19/07/2019	Sale	-2,700		35,18,297	1.66
	26/07/2019	Purchase	1,380		35,19,677	1.66
	02/08/2019	Purchase	1,513		35,21,190	1.66
	09/08/2019	Purchase	20,840		35,42,030	1.67
	16/08/2019	Purchase	742		35,42,772	1.67

Sl. No.	Name/ Date	Type	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	16/08/2019	Sale	-1,500		35,41,272	1.67
	23/08/2019	Purchase	1,146		35,42,418	1.67
	23/08/2019	Sale	-9,000		35,33,418	1.67
	30/08/2019	Purchase	8,309		35,41,727	1.67
	06/09/2019	Purchase	509		35,42,236	1.67
	13/09/2019	Purchase	669		35,42,905	1.67
	20/09/2019	Purchase	1,077		35,43,982	1.67
	27/09/2019	Sale	-26,127		35,17,855	1.66
	30/09/2019	Sale	-693		35,17,162	1.66
	04/10/2019	Sale	-420		35,16,742	1.66
	01/11/2019	Sale	-30,000		34,86,742	1.65
	06/12/2019	Purchase	4,000		34,90,742	1.65
	31/12/2019	Closing Balance	--	--	34,90,742	1.65
4	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED					
	1/1/2019	Opening Balance	4,68,308	0.22	--	--
	04/01/2019	Purchase	13,241		4,81,549	0.23
	11/01/2019	Purchase	2,193		4,83,742	0.23
	18/01/2019	Purchase	2,440		4,86,182	0.23
	25/01/2019	Purchase	3,582		4,89,764	0.23
	01/02/2019	Sale	-18,260		4,71,504	0.22
	08/02/2019	Purchase	7,947		4,79,451	0.23
	15/02/2019	Purchase	3,159		4,82,610	0.23
	22/02/2019	Purchase	6,120		4,88,730	0.23
	01/03/2019	Purchase	4,168		4,92,898	0.23
	08/03/2019	Purchase	9,006		5,01,904	0.24
	15/03/2019	Purchase	3,75,132		8,77,036	0.41
	22/03/2019	Purchase	3,80,962		12,57,998	0.59
	29/03/2019	Purchase	4,682		12,62,680	0.60
	05/04/2019	Purchase	1,97,828		14,60,508	0.69
	12/04/2019	Purchase	64,586		15,25,094	0.72
	19/04/2019	Purchase	10,849		15,35,943	0.72
	26/04/2019	Sale	-2,941		15,33,002	0.72
	03/05/2019	Sale	-466		15,32,536	0.72
	10/05/2019	Sale	-3,610		15,28,926	0.72
	17/05/2019	Purchase	30,074		15,59,000	0.74
	24/05/2019	Purchase	18,002		15,77,002	0.74
	31/05/2019	Purchase	1,14,714		16,91,716	0.80
	07/06/2019	Purchase	25,223		17,16,939	0.81
	21/06/2019	Sale	-17,710		16,99,229	0.80
	28/06/2019	Sale	-23,163		16,76,066	0.79
	05/07/2019	Sale	-11		16,76,055	0.79
	12/07/2019	Purchase	57,473		17,33,528	0.82
	12/07/2019	Sale	-59,428		16,74,100	0.79
	19/07/2019	Sale	-13,695		16,60,405	0.78
	26/07/2019	Sale	-47,519		16,12,886	0.76
	02/08/2019	Purchase	3,51,919		19,64,805	0.93
	09/08/2019	Sale	-7,956		19,56,849	0.92
	16/08/2019	Sale	-19,259		19,37,590	0.91
	30/08/2019	Sale	-14,584		19,23,006	0.91
	06/09/2019	Sale	-24		19,22,982	0.91
	20/09/2019	Sale	-1,021		19,21,961	0.91
	27/09/2019	Purchase	91,392		20,13,353	0.95
	30/09/2019	Purchase	36,593		20,49,946	0.97
	04/10/2019	Purchase	10,741		20,60,687	0.97
	11/10/2019	Purchase	1,14,906		21,75,593	1.03
	18/10/2019	Sale	-17,194		21,58,399	1.02
	25/10/2019	Sale	-348		21,58,051	1.02
	01/11/2019	Sale	-95		21,57,956	1.02
	08/11/2019	Sale	-10		21,57,946	1.02
	15/11/2019	Sale	-38,214		21,19,732	1.00
	22/11/2019	Sale	-57,801		20,61,931	0.97

Sl. No.	Name/ Date	Type	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	29/11/2019	Sale	-15,936		20,45,995	0.97
	06/12/2019	Sale	-24,185		20,21,810	0.95
	13/12/2019	Sale	-29,456		19,92,354	0.94
	20/12/2019	Sale	-21,074		19,71,280	0.93
	27/12/2019	Sale	-12,591		19,58,689	0.92
	31/12/2019	Sale	-6,493		19,52,196	0.92
	31/12/2019	Closing Balance	--	--	19,52,196	0.92
5	HDFC TRUSTEE COMPANY LTD. A/C HDFC TOP 100 FUND					
	1/1/2019	Opening Balance	19,14,401	0.90	--	--
	15/02/2019	Sale	-5,24,777		13,89,624	0.66
	22/02/2019	Sale	-20,000		13,69,624	0.65
	10/05/2019	Sale	-37,000		13,32,624	0.63
	17/05/2019	Sale	-1,00,000		12,32,624	0.58
	13/12/2019	Sale	-52,000		11,80,624	0.56
	31/12/2019	Closing Balance			11,80,624	0.56
6	ABERDEEN GLOBAL INDIAN EQUITY LIMITED					
	1/1/2019	Opening Balance	17,38,936	0.82	--	--
	22/03/2019	Sale	-31,406		17,07,530	0.81
	29/03/2019	Sale	-1,02,574		16,04,956	0.76
	05/04/2019	Sale	-1,86,020		14,18,936	0.67
	31/12/2019	Closing Balance	--	--	14,18,936	0.67
7	GENERAL INSURANCE CORPORATION OF INDIA					
	1/1/2019	Opening Balance	10,20,000	0.48		
	08/02/2019	Purchase	1,00,000		11,20,000	0.53
	03/05/2019	Sale	-58,655		10,61,345	0.50
	10/05/2019	Sale	-20,046		10,41,299	0.49
	09/08/2019	Purchase	10,000		10,51,299	0.50
	16/08/2019	Purchase	10,000		10,61,299	0.50
	23/08/2019	Purchase	43,781		11,05,080	0.52
	30/08/2019	Purchase	36,219		11,41,299	0.54
	08/11/2019	Purchase	837		11,42,136	0.54
	15/11/2019	Purchase	13,375		11,55,511	0.55
	22/11/2019	Purchase	1,603		11,57,114	0.55
	29/11/2019	Purchase	50,000		12,07,114	0.57
	06/12/2019	Purchase	3,607		12,10,721	0.57
	31/12/2019	Closing Balance	--	--	12,10,721	0.57
8	VANGUARD EMERGING MARKETS STOCK INDEX FUND					
	1/1/2019	Opening Balance	916,004	0.43	--	--
	01/02/2019	Purchase	4,872		9,20,876	0.43
	08/02/2019	Purchase	9,589		9,30,465	0.44
	15/02/2019	Purchase	5,951		9,36,416	0.44
	22/03/2019	Sale	-56,539		8,79,877	0.42
	29/03/2019	Purchase	1,932		8,81,809	0.42
	12/04/2019	Purchase	1,932		8,83,741	0.42
	10/05/2019	Purchase	2,016		8,85,757	0.42
	21/06/2019	Sale	-8,424		8,77,333	0.41
	28/06/2019	Sale	-52,207		8,25,126	0.39
	27/09/2019	Sale	-7,736		8,17,390	0.39
	27/12/2019	Sale	-49,359		7,68,031	0.36
	31/12/2019	Closing Balance			7,68,031	0.36
9	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND					
	1/1/2019	Opening Balance	8,12,957	0.38	--	--
	26/04/2019	Sale	-21,223		7,91,734	0.37
	05/07/2019	Purchase	4,646		7,96,380	0.38
	12/07/2019	Purchase	13,793		8,10,173	0.38
	31/12/2019	Closing Balance	--	--	8,10,173	0.38
10	AMUNDI FUNDS SBI FM EQUITY INDIA					
	1/1/2019	Opening Balance	5,65,000	0.27	--	--
	22/03/2019	Purchase	23,464		5,88,464	0.28
	29/03/2019	Purchase	1,02,536		6,91,000	0.33
	26/04/2019	Purchase	98,378		7,89,378	0.37

03/05/2019	Purchase	44,480		8,33,858	0.39
10/05/2019	Purchase	1,56,482		9,90,340	0.47
07/06/2019	Purchase	1,01,284		10,91,624	0.52
31/12/2019	Closing Balance	--	--	10,91,624	0.52

v. Share holding of Directors and Key Managerial Personnel:

Sl No	Name of the Director/Key Managerial Personnel	Date	Remarks	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Darius E. Udwadia	01.01.2019	At the beginning of the year	3,500	0.002	-	-
		31.12.2019	At the end of the year	3,500	0.002	3,500	0.002

Note: None of other Directors and Key Managerial Personnel of the Company hold equity shares of the Company in Financial Year 2019.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	**NIL**	**6.92**	**NIL**	**6.92**
ii) Interest due but not paid	**NIL**	**-**	**NIL**	**-**
iii) Interest accrued but not due	**NIL**	**-**	**NIL**	**-**
Total (i+ii+iii)	**NIL**	**6.92**	**NIL**	**6.92**
Change in Indebtedness during the financial year				
- Addition	**NIL**	**6.62**	**NIL**	**6.92**
- Reduction	**NIL**	**-**	**NIL**	**-**
Net Change	**NIL**	**6.62**	**NIL**	**6.62**
Indebtedness at the end of the financial year				
i) Principal Amount	**NIL**	**13.54**	**NIL**	**13.54**
ii) Interest due but not paid	**NIL**	**-**	**NIL**	**-**
iii) Interest accrued but not due	**NIL**	**-**	**NIL**	**-**
Total (i+ii+iii)	**NIL**	**13.54**	**NIL**	**13.54**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl No	Particulars of Remuneration	Name of MD/~~WTD/ Manager~~
1.	Name:	Mr. Sanjeev Sharma
2.	Gross salary:	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,09,53,198
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	76,22,830
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
3.	Stock Option	-
4.	Sweat Equity	-
5.	Commission - as % of profit - others, specify…	 - -
6.	Others (premium for Group Term Life Insurance, Group Personnel Accident Insurance, Mediclaim, PF Company contribution and Meal voucher)	36,50,998
7.	Total (A)	7,22,27,026
	Ceiling as per the Act	27,63,59,851

In addition to the Salary/Perquisites mentioned above, as per Management Incentive Program (MIP) and Long Term Incentive Plan of ABB Group (which conditionally grants Options / Warrant appreciation rights /Equity shares of ABB Group Company to selected key employees), the Managing Director being one of the key employee is entitled for both the programs.

B. Remuneration to other Directors:

(Amount in ₹)

Sl No	Particulars of Remuneration	Name of Independent Directors				Total
1.	Name	Mr. Nasser Munjee	Mr. Darius E. Udwadia	Mrs. Renu Sud Karnad	Mr.VK Viswanathan	
2.	Fee for attending Board / Committee meetings	3,60,000	3,60,000	4,70,000	80,000	12,70,000
3.	Commission*	36,00,000	31,00,000	24,30,000	0	91,30,000
4.	Others, please specify					
	Total (1)	39,60,000	34,60,000	29,00,000	80,000	1,04,00,000
		Name of Other Non-Executive Directors				
1	Name	Mr. J C Deslarzes	Mr. Tarak Mehta	Ms. Diane de Saint Victor		Total
2.	Fee for attending Board / Committee meetings	-	-	-	-	
3.	Commission*	-	-	-	-	
4.	Others, please specify	-	-	-	-	
	Total (2)	-	-	-	-	
	Total (B)=(1+2)	39,60,000	34,60,000	29,00,000	80,000	1,04,00,000
	Total Managerial Remuneration (A + B) **					8,13,57,026
	Overall Ceiling as per the Act					60,79,91,673

* Commission for the year 2018 paid in the year 2019

** Exclusive of sitting fee paid to Independent Directors

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Amount in ₹)

Sl No	Particulars of Remuneration	Key Managerial Personnel		Total
1.	Name and Designation	Mr. B. Gururaj (Company Secretary)	Mr.TKSridhar (CFO)	
2.	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,13,06,439	1,56,03,535	2,69,09,974
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4,70,040	6,78,120	11,48,160
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	0	0	0
3.	Stock Option	0	0	0
4.	Sweat Equity	0	0	0
5.	Commission - as % of profit - others, specify	0	0	0
6.	Others (premium for Group Term Life Insurance, Group Personnel Accident Insurance, Mediclaim, PF Company contribution and Meal voucher)	6,89,072	8,72,275	15,61,347
	Total (C)	**1,24,65,551**	**1,71,53,930**	**2,96,19,481**

In addition to the Salary/Perquisites mentioned above, as per Management Incentive Program (MIP) of ABB Group, which conditionally grants Options or Warrant appreciation rights to selected key employees. The Chief Financial Officer and Company Secretary, being key employees, are entitled for the said program.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

During the year under review, no penalty was levied against the Company, its Directors or any of its Officers under the Companies Act, 2013 and also there was no punishment or compounding of offences against the Company, its Directors or any of its Officers.

For and on behalf of the Board

J C Deslarzes
Chairman
DIN: 08064621

Place: Bengaluru
Date: June 19, 2020

Annexure - C to Directors' Report

Statement of Disclosure of Remuneration

The information relating to remuneration of Directors/Key Managerial Personnel as required under Section 197(12) of the Companies Act,2013 read with Rule5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2019, the percentage increase inremuneration of Chief Executive Officer (MD), Chief Financial Officer and Company Secretary during the Financial Year 2019.

Sl No	Name of the Director / Key Managerial Personnel	Designation	Ratio of Remuneration of each Director to median remuneration of employees	Percentage increase in Remuneration
1.	Mr. Sanjeev Sharma	Managing Director	66:1	15%
2.	Mr. T. K. Sridhar	Chief Financial Officer	16:1	15%
3.	Mr. B. Gururaj	Company Secretary	11:1	9.5%

Notes:

a) Percentage of increase in remuneration is effective March 1, 2019.

b) Independent Directors of the Company are entitled for sitting fees and commission as per the Statutory Provisions and within the limits approved by the Shareholders. As a Policy, the Non-Executive-Non-Independent Directors are neither paid sitting fee nor paid any commission. The details of remuneration of Non-executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-executive Directors Remuneration is therefore not considered for the above purpose.

2. Percentage increase in the median remuneration of employees for the financial year: 11%.

3. Number of permanent employees on rolls of the Company as on December 31, 2019: 3,299

4. Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification there of and to point out if there are any exceptional circumstances for increase in the managerial remuneration:

   As per Company's increment guidelines.

5. Affirmation that the remuneration is as per remuneration policy of the Company : Yes

For and on behalf of the Board

J C Deslarzes
Chairman
DIN:08064621

Place: Bengaluru
Date: June 19, 2020

Annexure - D to Directors' Report

Conservation of energy, technology absorption, foreign exchange earnings and outgo.

Pursuant to provisions of Section 134(3) m) of the Companies Act, 2013 read with Rule8(3) of the Companies (Accounts) Rules, 2014

A. Conservation of energy

1. Steps taken or impact on conservation of energy:

- Old Air Compressor replaced by VFD based high efficiency air compressor
- Compressed air leakages arrest by providing dedicated pipeline for Salvagnini machine
- Arrested air leakages in the plant resulted in 15,190 kWH/annum saving
- Saving in the consumption for compressor by other measures like optimizing pressure, arresting leakages etc.
- Switching off the compressor during non-working hours.
- Plant I Street Light replacement by LED Lights.
- Energy saving project initiative at street light and pathway lightning - The metal hallied light fitting & CFL light fitting replaced with energy efficiency LED light.
- Energy saving project initiative at Water pump system - Installation of VFD to water pumps supported for location water management system.
- VI -Surface Treatment Plant - process improvement STP PLC Logic change which improves productivity, saves diesel & electricity
- Evaporator Control based on Process Parameters by adding foam sensor in vacuum evaporators.
- Energy bill subsidy by improving Power Factor of plant 1.
- Energy Efficient blower with lower KW rating motors (11 KW to 9.3 KW) in RM store AHUs.
- Replacement of office lighting with LED in ware house.
- Replacement of 3 nos of old AC with 3star energy efficient AC in Type test lab
- Pneumatic system has been interlinked for various buildings to minimize the compressor operation.
- Adopted 3R Technique for the day to day maintenance activity items (Recycle-Reuse-Renovate) for the unused/ scrape made in the BU Production.
- Running small 100 cfm compressor during lean period.
- Installed Timers for the light fixtures in office area to control the lighting during lunch hours. It resulted in Energy saving
- Reduced power consumption by optimizing operation of Air handling units during monsoon season.

2. The steps taken by the company for utilizingalternate sources of energy:

- Erected Roof Top Solar plant under Opex Model resulted saving of 4,100 kWH.
- Installation of 100 KWp Grid synchronized Roof top Solar panel.
- The piping network is extended in garden area to reuse the STP treated water for gardening purpose which has resulted in savings by reduction in fresh water utilization.
- Utilization of own generation of solar power to the possible extent (10kw) sink with LT Grid.

3. The Capital Investment on energy conservation equipment's:

- Installed New Energy efficient dedicated VFD Controlled Air compressor. It resulted in energy saving by reduced air losses and compressor running hours.
- Energy efficiency motors installed at Nelamanagala unit for all the shop floor Air ventilation system.
- Replacement of old welding machines by new energy efficient one.
- Installed Inverter based VRF (Variable refrigerant flow) system at our new ABB PowerTEC facility in place of conventional ductable and Hi wall split AC system. This has resulted in power savings and also less breakdown due to the inverter technology.
- Installation of 100 KWp Grid synchronized Roof top solar panel at Faridabad.

B. Technology absorption

1. The efforts made towards technology absorption:

- 2.8MW/4P DF Wind generator manufacturing technology developed (moisture resistant stator and rotor manufacturing).
- 2.8MW/4P Double Fed Wind Generator developed for Indian customer.
- M2GAX 71-355 IE2,IE3, non-sparking motors.
- Slip power recovery in ACS880.
- Solar pump next generation released – ACQ80.
- Local competency for Design, development & production of underslung metro auxiliary converter for AC/DC Metro meeting global standards and engineering process.
- Composite converter (Bordline CC1500_M500_AC_M) : Traction converter + Hotel load converter).
- Successful field trial of Propulsion system in WAG11 Retro fitment locomotive.
- Underslung Auxiliary converter for Montreal (REM) DC Metro (Bordline M80_DC_U).
- Standalone Hotel load converter (Bordline M500_AC_M).
- Crane duty motors IE2 frame 71-250 (M2BAX platform).
- 2.2MW/4P Double Fed Wind Generator product improvement done by providing better cooling.

2. The benefits derived as a result of technology absorption:

Benefits have been reflected in terms of improvement of product reliability and quality, standardization of various products, improved product variants, introduction of new product lines, better aesthetics, meeting specific customer requirements, improved measurement range and accuracy level, costreduction, reduction in carbon emission and increased acceptability products in local an dglobal markets.

3. Technologies imported during the last three years

• New global general purpose low voltage drive	2017
• Inverter modules for solar inverters and industrial drives	2017
• Slip ring motors in 400 to 500 frames	2017
• Dry type excitation transformer design, 7.7MVA	2017
• Relion 670 series version 2.2	2018
• Multi-feeder protection system (SSC600) product	2018
• Composite converter (Bordline CC1500_M500_AC_M)	2019
• Underslung Auxiliary converter for Queensland Rail (QR)	
• AC Metro (Bordline M80_AC_U)	2019

All technologies are fully absorbed.

4. The expenditure incurred on Research and Development:

Considering the nature of research and development, complexity, competency required, time frame, amount and also to optimize overall cost, all major R&D efforts are pooled centrally at the Group level. Certain development activities were carried out by the Company and have been billed to the central technology center. The expenditure had been mainly in the nature of payment of license fee for use of technology knowhow reported as royalty and technology fees under other expenses. Local R&D activities undertaken by the Company were mainly in localizing the products, adoption of global products to local environment, carrying out cost saving actions and other improvements.

C. Foreign exchange earnings and outgo

Total foreign exchange used and earned

			(₹ in Crores)
		2019	2018
(i)	Foreign Exchange earned	**1,468.03**	1,633.8
(ii)	Foreign exchange used	**3,749.8**	4,559.3

For and on behalf of the Board

J C Deslarzes
Chairman
DIN:08064621

Place: Bengaluru
Date: June 19, 2020

Annexure - E to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

1. **Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   CSR policy:

   "ABB India views corporate social responsibility as another channel to further its cause of 'Power and productivity for a better world'. The Company is committed to sustainable and inclusive development of the community's social capital through active engagement".

   The main focal areas of ABB India's CSR activities are:
   - Education and Skill development: To provide facilities and assist promotion of primary education among children and impart skills training to the youth.
   - Access to Electricity: Collaborating to provide innovative off-grid solutions to provide and improve access to electricity in the country.
   - Health Care: To support and augment ongoing national initiatives on health, hygiene and health care systems.
   - Environmentand Local Safeguard: To undertake greening and environmental initiatives in the community.
   - Differently abled: To catalyze skills training and employment opportunities for the differently abled.

   ABB India Corporate Social Responsibility Policy:

   http://www.abb.com/cawp/inabb509/e1e3753d179bae6065257db2003be38c.aspx

   Some of the key CSR projects of ABB India Limited during the year includes:
   - Initiation of a 4-year engineering scholarship program for poor and meritorious female students.
   - Creation of an operational smart electricity distribution network and management for IIT-Roorkee (IIT-R) institute's campus.
   - Flood relief assistance to Government of Karnataka, for the floods that ravaged several parts of the state in 2019.
   - Mobile health care units for primary health care and general health checkup for select communities in and around ABB India locations in Karnataka, Gujarat,Chhattisgarh and Maharashtra.
   - Promotion of primary education among children and to impart skills training to select women from villages in Gujarat.
   - Towards running a special school to mainstream around 200 children with disability in Bangalore, Karnataka.
   - Mobile science laboratories and imparting hands-on science learning for Government school children across select schoolsfrom Karnataka, Maharashtra, Gujarat and Haryana.

2. **Composition of the CSR Committee**

   Renu Sud Karnad – Chairman- Independent Director
   SanjeevSharma – Member- Managing Director
   TarakMehta – Member- Non-executive Director

   The Committee met 4 (four) times during the year under review.

3. Average net profit of the Company for the last three financial years

Average net profit: Rs.622.41 Crores

4. Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2019 is required to spend Rs.12.45 Crores towards CSR.

5. Details of CSR spent during the financial year:

The Company is required to spend and spent Rs.12.45 Crores. Details of projects spent is given below:

a) Manner in which amount spent during the financial year is detailed below:

(Amount in ₹)

Sl No	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) State and District where Project or programs	Amount Spent on the project or programs (1) Direct expenditure on Project or programs (2) Overheads	Cumulative Expenditure Upto Reporting period	Amount spent: Direct or through implementing Agency	Details of Implementing agency
1	Mid-day meal to Govt school children	Eradicating hunger and Promoting Education	Gujarat, Karnataka	22,634,200	22,634,200	Through Implementing Agency	The Akshaya Patra Foundation
2	Creation of a smart electricity distribution network and management system at an institute campus	Promoting Education	IIT Roorkee, Uttarakhand	18,052,000	18,052,000	Direct	Indian Institute of Technology-Roorkee (IIT-R)
3	Mobile health care units for primary health care and general health check-ups for communities	Preventive Health Care	Gujarat, Karnataka, Maharashtra	11,171,521	11,171,521	Through Implementing Agency	Helpage India
4	Mobile science labs and imparting science education for nearly 98 Govt schools across locations	Promoting Education	Gujarat, Karnataka, Maharashtra, Haryana	11,100,000	11,100,000	Through Implementing Agency	Agastya International Foundation
5	For CSR projects across focal areas of education, health care and environmental safeguard	Education, Health Care & Environmental Safeguard	Across several regions	10,825,313	10,825,313	Through Implementing Agency	ABB India Foundation
6	Integrated special school to serve all types of needs along with education for differently abled children, Bangalore, Karnataka	Education and Differently abled	Bangalore, Karnataka	10,000,000	10,000,000	Through Implementing Agency	Association of People with Disability (APD)
7	Establishing a Simulation Centre of Excellence (SCoE) lab for research and education	Promoting Education	Chandigarh, Punjab	7,500,000	7,500,000	Direct	National Institute of Technical Teachers' Training and Research
8	Education program for adolescent girls and boys for select villages of Gujarat and vocational training and skill development program for women	Special education and employment enhancing vocation skills	Gujarat	4,825,659	4,825,659	Through Implementing Agency	Mahila Sewa Trust
9	R&D cooperation through joint studies, projects and pilot trials in the area of Battery Engineering.	Promoting Education, (contribution to academic institutions)	Lab research	4,290,000	4,290,000	Direct	Indian Institute of Technology-Madras (IIT-M)
10	Operative and post-operative care for 250 children with cleft lip and palate abnormalities across chosen locations in India.	Preventive Health Care	Gujarat, Maharashtra, Karnataka, West Bengal and Chhattisgarh	4,000,000	4,000,000	Through Implementing Agency	Akila Bharatha Mahila Seva Samaja
11	Construction of water dams and structures for rain water harvesting in drought prone villages	ensuring environmental sustainability-water management	Nashik, Maharashtra	3,757,267	3,757,267	Through Implementing Agency	Vanvasi Kalyan Ashram
12	Providing residential facility for adult and mentally challenged from the most deprived sections of the society	Setting up of Home for differently abled women	Nashik, Maharashtra	3,000,000	3,000,000	Through Implementing Agency	Gharkul Parivar Sanstha

13	Flood Disaster Relief contribution	Disaster Relief	Karnataka	3,000,000	3,000,000	Direct	Karnataka State Disaster Management Authority
14	Mobile physiotherapy services for disabled, dis-advantaged people	Promoting health care including preventive health care	Vadodara, Halol, Savli, Gujarat	2,090,000	2,090,000	Through Implementing Agency	Society for the Training & Vocational Rehabilitation of the Disabled (Sevathirth)
15	Engineering scholarship for meritorious poor female students	Promoting education and empowering women	Pune, Maharashtra	1,320,000	1,320,000	Through Implementing Agency	Lila Poonawalla' Foundation
16	Improving the quality of education for around 100 primary and middle schools covering around 9000 students from poor socioeconomic background	Promoting education	Nelamangala, Karnataka	4,434,040	4,434,040	Through Implementing Agency	Sivasri Charitable Trust
17	Road safety awareness and training at a Traffic park	Promoting education	Nashik, Maharashtra	2,500,000	2,500,000	Through Implementing Agency	Advantage Nashik Foundation

6. Reasons for not spending 2% of the average net profit of the last three financial years

NA.

7. Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Renu Sud Karnad
Chairperson – CSR Committee
(DIN: 00008064)

Sanjeev Sharma
Managing Director
(DIN: 07362344)

Place: Bengaluru
Date: June 19, 2020

Annexure - F to Directors' Report

FORM AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3)of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of contract entered into with related parties during Financial Year 2019

1. Details of contracts or arrangements or transactions not at arm's length basis:

   There were no contracts or arrangements or transactions entered in to during the year ended December 31, 2019, which were not arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	ABB Power Products and Systems India Limited (APPSIL) APPSIL is one of the Subsidiary of the Company's holding Company.
(b)	Nature of contracts/arrangements/transactions	Given below:
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	

- Related Party Transactions (RPT) between ABB India Limited and ABB Power Products and Systems India Limited

(amount in crore)

Nature of RPT	Duration in Month	Total	Financial Years			
			2019	2020	2021	2022
IS Services	31	79.05	2.36	28.35	31.19	17.15
IS License Fees (CHGPL)	1	3.64	3.64	-	-	-
Utilities (Power)	7	13.28	1.90	11.38	-	-
Treasury Services	7	0.63	0.09	0.54	-	-
Lease of Own Property - Plant	7	0.51	0.07	0.43	-	-
Lease of Own Property - Office	3	0.46	0.15	0.31	-	-
Guest House Services	3	0.34	0.11	0.22	-	-
Total		**97.90**	**8.32**	**41.24**	**31.19**	**17.15**

- Related Party Transactions between ABB Power Products and Systems India Limited and ABB India Limited

(amount in crore)

Nature of RPT	Duration in Month	Total	Financial Years			
			2019	2020	2021	2022
Lease of own Property - Plant	7	0.57	0.08	0.49	-	-

(e)	Date(s) of approval by the Board, if any:	December 9, 2019
(f)	Amount paid as advances, if any:	Nil

For and on behalf of the Board

J C Deslarzes
Chairman
DIN: 08064621

Place: Bengaluru
Date: June 19, 2020

Annexure - H to Directors' Report

Report on Corporate Governance

1. Corporate Governance Philosophy

The Company is committed to good Corporate Governance. The Company fully realises the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance to its shareholders. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

2. Board of Directors

The Board consists 8 Directors viz., four Independent and four Non-Independent, out of which, one Independent Director is a woman Director. Out of four Non-Independent Directors, one is a Managing Director, which is in conformity with the requirement of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Chairman of the Board is a Non-Executive and Non-Independent Director.

Except the Managing Director three other Non–Executive Non-Independent Directors are liable to retire by rotation. In the ensuing Annual General Meeting, Mr J C Deslarzes, Non–Executive Non-Independent Director is getting re-appointed. There is no relationship between the Directors inter-se. Three Independent Directors are appointed for the period of five years i.e. up to May 5, 2020. Out of these three Independent Directors, two Directors were re-appointed for further period of three years from May 6, 2020 and another Director was re-appointed from May 13, 2020 to hold office till the conclusion of ensuing Annual General Meeting. One Independent Director appointed during the Year for a term of three years effective November 13, 2019.

(i) Composition/ Category of Directors/ Attendance at Meetings/ Directorships and Committee Memberships in other companies as on December 31, 2019

Name	Category[1]	Attendance			Directorship in other Indian Companies[2]	Committee Membership / Chairmanship in Public Companies[3]	
		Board meetings held during 2019	Board Meetings Attended	Last AGM attendance		Member	Chairman
Mr. J C Deslarzes (Chairman)	NED	9*	9	Yes	Nil	Nil	Nil
Mr. Sanjeev Sharma	MD		8	Yes	4	1	Nil
Mr. Nasser Munjee	NED (I)		8	Yes	9	1	4
Mr. Darius E. Udwadia	NED (I)		8	Absent	8	4	1
Mrs. Renu Sud Karnad	NED (I)		9	Yes	8	5	3
Mr. Tarak Mehta	NED		5	Absent	Nil	1	Nil
Mr. V K Viswanathan[4]	NED (I)		2	NA	8	4	5
Ms Diane de Sant Victor[5]	NED		2	NA	Nil	2	Nil

(1) Category: NED – Non-executive Director, MD – Managing Director, NED (I) – Non-executive Director and Independent.

(2) Includes directorships in private limited companies and Section 8 (Not for profit) companies. None of the Directors of the Company hold independent directorships in more than 7 listed companies.

(3) Includes only Audit Committee and Stakeholders Relationship Committee of public limited companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all listed companies in which they are Directors.

(4) Appointed as an Independent Director w.e.f. November 13, 2019.

(5) Appointed as Non-executive Director w.e.f. November 13, 2019.

* In addition, one meeting of Independent Directors was held during the year.

NOTE: All Independent Directors fulfil the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

(ii) No. of Board Meetings held in the Financial Year 2019 and dates on which held

The Board has held nine meetings during the Financial Year 2019 i.e., on January 22, February 13, March 1, March 5, May 7, July 9, July 26, November 13 and December 9, 2019.

In addition, one meeting of Independent Directors was held on February 13, 2019.

(iii) Except Mr. Darius E. Udwadia, who is holding 3,500 equity shares, no other Director holds equity shares in the Company.

(iv) The Independent Directors, who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business. As a part of familiarization programme as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act) and Listing Regulations. Since these being an information about the enactment / updates in the laws / regulation, no separate material has been uploaded in the website.

As Independent Directors are continuing on the Company's Board since long, the requirement of familiarization programme as required under the Listing Regulations does not arise. For Mr V K Viswanathan, Independent Director, who was appointed on November 13, 2019, the Company has conducted familiarization programme to him.

(v) The terms and conditions of appointment of the Independent Directors are disclosed in the Company's website at www.abb.co.in.

(vi) During the year, a separate meeting of the Independent Directors was held on February 13, 2019, without the presence of Non-Executive Directors / Managing Director / Management to discuss the matter as required / agreed amongst them.

(vii) Further the Board periodically reviews the compliance reports submitted by the management in respect of all laws applicable to the Company.

3. Audit Committee

(i) Terms of Reference

The Audit Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations.

The terms of reference are briefly described below:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the Board, appointment, re-appointment, replacement or removal (in the event of necessity) of Statutory Auditors, Cost Auditors and / or any other auditors including fixation of remuneration;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

  a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub- section (5) of Section 134 of the Act;

b) changes, if any, in accounting policies and practices and reasons for the same;
c) major accounting entries involving estimates based on the exercise of judgment by management;
d) significant adjustments made in the financial statements arising out of audit findings;
e) compliance with listing and other legal requirements relating to financial statements;
f) disclosure of any related party transactions; and
g) qualifications in the draft audit report.

- Reviewing, with the management:
  - the quarterly financial statements before submission to the Board for approval;
  - performance of Auditors, Internal Auditors, adequacy of the internal control systems;
- review and monitor the auditor's independence and performance and effectiveness of audit process;
- review the adequacy of Internal Audit function including the structure of the internal audit department, staffing and seniority of the head of the department, reporting structure coverage and frequency of internal audit;
- approval or any subsequent modification of transactions of the Company with the related parties;
- approval on appointment of Chief Financial Officer including the Whole time Director- Finance or any other person heading the finance function or discharging that function after assessing the qualification, experience and background etc., of such incumbent;
- reviewing the proposal for discontinuation / closure of any of the business operations of the Company;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- monitoring the end use of funds raised through public offers and related matters;
- review proposal for mergers, demergers, acquisitions, carve-outs, sale, transfer of business and its valuation report and fairness opinion, if any, thereof;
- evaluation of internal financial controls and risk management systems;
- discussing with internal auditors any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
- review the functioning of the Whistle Blower mechanism.
- carry out such other function as may be delegated by the Board from time to time.
- review various investment proposals before the same is submitted to the Board of Directors and also to review the guidelines for investing surplus funds of the Company;
- to appoint valuers for the valuation of the undertakings or assets of the Company, wherever it is necessary including stocks, shares, securities, goodwill or any other assets or net worth of a Company or liability of the Company under the provisions of the Act.

In addition to the above, the following items will be reviewed by the Audit Committee:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions, (as defined by the Audit Committee) submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- appointment, removal and terms of remuneration of the chief internal auditor.

The Audit Committee is vested with the necessary powers to achieve its objectives.

The Committee has discharged such other role/function as envisaged under Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act.

The Chairman of the Audit Committee was present at the last AGM (69th Annual General Meeting held on May 8, 2019).

(ii) Composition, name of members & Chairperson, meetings held during the year and attendance at meetings

The Audit Committee presently consists of four Non-Executive Directors, out of which three are Independent Directors. The Committee has held nine meetings during the Financial Year 2019 i.e., on January 22, February 13, March 1, March 5, May 7, July 9, July 26, November 13 and December 9, 2019. The composition of the Audit Committee as on December 31, 2019 and the attendance of members at the meetings held during the Financial Year 2019 were as follows:

Members of the Committee	No. of meetings attended
Mr. Nasser Munjee (Chairman) (Independent Director)	8
Mr. Darius E. Udwadia (Independent Director)	8
Mrs. Renu Sud Karnad (Independent Director)	9
Mr. Tarak Mehta	5
Mr. V K Viswanathan (Independent Director)	2 *
Ms. Diane de Saint Victor	2 *

Mr. B Gururaj, Company Secretary is the Secretary to the Audit Committee.

* Appointed as Members of the Committee w.e.f. 13.11.2019

4. Nomination and Remuneration Committee

(i) Terms of Reference

The terms of reference and Role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations which includes formulating the criteria to:

- Determine qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Recommending to the Board on remuneration, Performance Bonus etc., payable to the Executive Director(s) / Managing Director, Commission payable to Independent Directors.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board. The terms and conditions of appointment are disclosed in the website of the Company at www.abb.co.in.

(ii) Composition, name of members & Chairperson, meetings held during the year and attendance at meetings.

The Nomination and Remuneration Committee presently consists of three Non-Executive Directors, two being independent. The Chairman is a Non-Executive and Independent Director. The Committee has held three meetings during the Financial Year 2019 i.e., on February 13, March 5 and November 13, 2019. The composition of the Nomination and Remuneration Committee as on December 31, 2019 and the attendance of members at the meeting held during the Financial Year 2019 were as follows:

Members of the Committee	No. of meetings attended
Mr. Nasser Munjee (Chairman) (Independent Director)	3
Mrs. Renu Sud Karnad (Independent Director)	3
Mr. J C Deslarzes	3
Mr. V K Viswanathan (w.e.f. Nov 13, 2019)	NA

(iii) Remuneration Policy / Criteria for payments to Directors / Senior Management Employees

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive/ Non-Executive Independent Directors. Independent Directors' remuneration is governed by the external competitive environment, track record of the individuals, effective participation in the meetings,

comparable industry standards and performance of the Company. The remuneration determined for the Executive/Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

The Board and the Nomination and Remuneration Committee also reviewed the performance of the Board on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The Non-Executive Independent Directors are compensated by way of a profit-sharing commission and the criteria being their attendance in the Board/ Committee Meetings.

As a policy, the Non-Executive - Non-Independent Directors are neither paid sitting fee nor paid any commission.

The Independent Directors are entitled to sitting fees for attending the Board / Committee Meetings. Sitting fees for Board and Audit Committee Meetings is Rs.20,000/- per Director per meeting and for other Committees, viz., Corporate Social Responsibility, Stakeholders Relationship, Nomination and Remuneration and Risk Management, the sitting fees is Rs.10,000/- per Director per meeting.

The remuneration payable to the Managing Director and Senior Management personnel including KMP are structured as fixed and variable components. The fixed remuneration comprises salaries, perquisites and retirement benefits and the variable component comprises annual performance bonus which is linked to the achievement of the score card fixed at beginning of the year.

5. Details of remuneration to all the Directors paid during the Financial Year 2019

(₹ in Lakh)

Name	Sitting Fees	Salary & Perquisites	Commission *	Stock Option	Pension
Mr. Sanjeev Sharma	Nil	722.27**	NA	Nil	Nil
Mr. Nasser Munjee	3.60	Nil	36.00	Nil	Nil
Mr. Darius E. Udwadia	3.60	Nil	31.00	Nil	Nil
Mrs. Renu Sud Karnad	4.70	Nil	24.30	Nil	Nil
Mr. Tarak Mehta	Nil	Nil	NA	Nil	Nil
Mr. J C Deslarzes	Nil	Nil	NA	Nil	Nil
Mr. V K Viswanathan (w.e.f. November 13, 2019)	0.80	Nil	NA		
Ms Diane de Saint Victor (w.e.f. November 13, 2019)	Nil	Nil	NA		

* Commission for the financial year 2018 paid during the financial year 2019.
** In addition to the Salary/Perquisites mentioned above, as per Management Incentive Program (MIP) and Long Term Incentive Plan of ABB Group (which conditionally grants Options / Warrant appreciation rights / Equity shares of ABB Group Company to selected key employees), the Managing Director being one of the key employee is entitled for both the programs.

Commission to Independent Directors:

1. For Board Meetings: a fixed amount of ₹ 25 lakh per Independent Director based on 100% participation by way of attendance in the meetings.
2. For Committee Meetings: a fixed amount of ₹ 3 lakh per Independent Director based on 100% participation by way of attendance in the meetings.
3. For Chairman of the Audit Committee: a fixed amount of ₹ 8 lakh for 100% participation by way of attendance in the meetings.

The above commission payable to Independent Directors of the Company shall however will not exceed in the aggregate 1% per annum of the net profits of the Company computed in the manner laid down in the Act. The Board authorizes the Chairman to determine the amount payable to the eligible Independent Director based on the profits earned by the Company for the respective year.

Fixed Component / Performance Linked Incentive / Criteria

Performance related Bonus is payable to the Managing Director only as per the terms of Contract entered into between the Company and the Managing Director.

Service Contract / Notice Period / Severance Fees

a) The Contract of Service entered into by the Company with Mr. Sanjeev Sharma, Managing Director, provides that the Company and the Managing Director shall be entitled to terminate the agreement by giving six months' notice in writing on either side.

b) No severance fee is payable by the Company to the Managing Director on termination of the agreement/s.

Stock Option

The Company does not have stock option scheme therefore the same is not applicable.

Except Mr. Darius E. Udwadia, who is holding 3,500 equity shares, no other Director hold equity shares in the Company. There are no convertible instruments issued by the Company.

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company.

6. Stakeholders Relationship Committee

The said Committee has been authorized to approve the transfer/transmission/ transposition of shares and issue of duplicate share certificates.

In order to expedite the process, the Board of Directors has also delegated the authority severally to the Managing Director and the Company Secretary to approve the share transfers/transmissions and accordingly, the Managing Director or the Company Secretary approve the transfer/transmission of shares as and when required from time to time.

Four meetings of Committee were held during the Financial Year 2019 i.e., on February 13, May 7, July 26 and November 13, 2019.

The Committee is chaired by Mr. Darius E. Udwadia – Independent Director. Mr. B Gururaj – Company Secretary is the Secretary to the Committee.

The composition of Stakeholders Relationship Committee as at December 31, 2019 and attendance of members at the meetings held during the Financial Year 2019 were as follows:

Members of the Committee	No. of meetings attended
Mr. Darius E. Udwadia (Chairman) (Independent Director)	4
Mrs. Renu Sud Karnad (Independent Director)	4
Mr. Sanjeev Sharma	4
Ms Diane de Saint Victor (w.e.f. November 13, 2019)	0

Except certain cases pending in Courts / Consumer Forums relating to disputes over the title of shares, in which the Company has been made a party, all the investor grievances / correspondences have been promptly attended to from the date of their receipt. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

The details of investors' complaints received and resolved during the Financial Year 2019 are as under:

No. of investors' complaints received during 2019	No. of investors' complaints resolved during 2019	Investors' complaints pending at the end of 2019
142	142	NIL

7. Risk Management

The Company has in place a mechanism to inform Board Members about the risk assessment and minimization procedures and review to ensure that executive management controls risks by means of a properly defined frame work. The Company has formulated a Policy on Risk Management and constituted a Risk Management Committee.

One meeting of Committee was held during the Financial Year 2019 i.e., on February 13, 2019.

The Committee is chaired by Mr. Nasser Munjee – Independent Director. Mr. B. Gururaj, Company Secretary is the Secretary to the Risk Management Committee.

The composition of Risk Management Committee as at December 31, 2019 and attendance of members at the meetings held during the Financial Year 2019 were as follows:

Members of the Committee	No. of meetings attended
Mr. Nasser Munjee (Chairman) (Independent Director)	1
Mr. J C Deslarzes	1
Mr. Sanjeev Sharma	1
Mr. V K Viswanathan (w.e.f. 13.11.2019)	NA
Mr. T. K. Sridhar	1

8. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Act, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted.

Four meetings of Committee were held during the Financial Year 2019 i.e., on February 13, May 7, July 26 and November 13, 2019.

The Committee is chaired by Mrs. Renu Sud Karnad – Independent Director. The composition of Committee as at December 31, 2019 and attendance of members at the meetings held during the Financial Year 2019 were as follows:

Members of the Committee	No. of meetings attended
Mrs. Renu Sud Karnad (Chairperson) (Independent Director)	4
Mr. Sanjeev Sharma	4
Mr. Tarak Mehta	2
Ms Diane de Saint Victor (w.e.f. 13.11.2019)	1

The Company has formulated a Policy for its CSR and also identified the following key areas for undertaking CSR activities:

- Education and skills enhancement: To provide facilities and assist promotion of primary education among children and impart skills training to the youth;
- Health care: To support and augment ongoing national initiatives in health, hygiene and health care systems;
- Environment and local safeguard: To undertake greening and environmental initiatives in the community;
- Differently-abled: To catalyze skills training and employment opportunities for the differently abled;
- Access to electricity: Collaborating to provide innovative off-grid solutions to improve access to electricity in the country.

The Company's CSR policy may be viewed in the Company's website at www.abb.co.in.

9. Subsidiary Company

During year under review, the Company had incorporated a wholly owned subsidiary i.e. ABB Power Products and Systems India Limited. Consequent to Scheme of Arrangement between the Company and APPSIL and their respective shareholders and creditors, becoming effective December 1, 2019, APPSIL ceased to be Subsidiary of ABB India Limited. This was the only subsidiary and also was not a material subsidiary. Hence, the requirement of formulating a specific policy on dealing with material subsidiaries does not arise.

10. Managing Director (MD) and Chief Financial Officer (CFO) certification

As required under Regulation 17 read with Part B of Schedule II of the Listing Regulations, the MD and CFO certification on the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been obtained from Mr. Sanjeev Sharma, Managing Director and Mr. T. K. Sridhar, Chief Financial Officer. The said certificate is part of the Annual Report.

11. General Body Meetings

(i) Location and time where last three Annual General Meetings (AGMs) held

For the Year	Venue	Day & Date	Time
2018	"Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru, 560 022	Tuesday May 8, 2019	11.00 a.m. (IST)
2017	"Grand Ball Room", Second floor, Sheraton Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bengaluru – 560 055	Tuesday May 9, 2018	11.00 a.m. (IST)
2016	"Grand Ball Room", Second floor, Sheraton Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bengaluru – 560 055	Tuesday May 9, 2017	11.00 a.m. (IST)

(ii) Special Resolution passed in the previous three Annual General Meetings

The following Special Resolutions were passed at the 67th Annual General Meeting held on May 9, 2017.

- Commission to the Non-Executive Directors of the Company.
- Alteration of the Objects Clause of the Memorandum of Association of the Company.
- To consider adoption of new set of Articles of Association of the Company.

No Special Resolution passed in 68th and 69th Annual General Meetings held on May 9, 2018 and May 8, 2019 respectively.

(iii) Postal Ballot

During January/February 2019, the Company has carried out Postal Ballot to seek approval of Members for:

(a) the re-appointment of Mr. Sanjeev Sharma as Managing Director of the Company for a period of three years commencing from January 01, 2019 to December 31, 2021;

(b) for continuation of Directorship beyond March 31, 2019, by Mr. Darius E Udwadia, Non-executive Director, who has attained the age of 75 years and in compliance with SEBI (Listing Obligations Disclosure Requirements), Regulations 2015, as amended.

Members of the Company have approved both aforesaid proposals with requisite majority.

12. Disclosures

(i) Disclosures on materially significant related party transactions.

There was no materially significant related party transaction during the year having potential conflict with the interests of the Company. Transactions with related parties, as per requirements of Indian Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements. Further the Company has not entered into any transaction of a material nature with the Promoters, subsidiaries of Promoters, Directors or their relatives etc. that may have potential conflict with the interests of the Company.

All the transactions with related parties were in the ordinary course of business and on arm's length basis, except transactions, which are disclosed in the Directors' Report. In terms of Regulation 23 of Listing Regulations the Company obtains prior approval of the Audit Committee for entering into any transaction with related parties. The Audit Committee granted omnibus approval for certain transactions to be entered into with the related parties, during the year.
Policy on dealing with Related Party Transactions can be viewed in the Company's website. Link for the same is http://new.abb.com/docs/librariesprovider19/default-document-library/related-party-transaction-policy.pdf?sfvrsn=2.

(ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities, on any matter related to capital markets during the last three years.

During last three years, neither any penalty nor any stricture has been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets.

(iii) Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has adopted Whistle Blower Policy where it has a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct/ Business Ethics. No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any Integrity issue.

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements under the Listing Regulations.

During the year, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations.

The Company has adopted C, D & E of the Non-Mandatory requirements as provided in Part E of Schedule II to the Listing Regulations and not adopted A & B since they are discretionary requirements.

13. Means of Communication

Quarterly Financial Results / Official News Releases

The quarterly / half-yearly / annual financial results are published in Business Standard / Financial Express / Business Line (English Daily) and Vijaya Karnataka (Kannada Daily).

The financial results and the official news releases are also placed on the Company's website at www.abb.co.in. The Company has a dedicated help desk with e-mail ID: investor.helpdesk@in.abb.com in the Secretarial Department for providing necessary information to the investors.

In addition to the above, after announcement of results, the Company holds conference call with financial analysts. The transcript of the said concall is uploaded on the Company's website at www.abb.co.in.

14. General Shareholder Information

(i) Annual General Meeting Day, Date, Time and Venue:

The Company will be holding its 70th Annual General Meeting on Friday, July 24, 2020 at 11.00 A.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Agenda:

Item No. 1 – To receive, consider and adopt the financial statements, namely, (i) the Audited Balance Sheet as at December 31, 2019, (ii) the Audited Profit & Loss Account for the year ended on that date, (iii) the Cash Flow Statement for the financial year ended on that date, (iv) statement of changes in Equity, if any, (v) an Explanatory Note annexed to, or forming part of, the documents referred to in (i) to (iv) above and the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Declaration of Dividend.

Item No. 3 – Appointment of a Director

Item No. 4 – Appointment of Mr. V K Viswanathan as Non-Executive Independent Director

Item No. 5 – Re-appointment of Mrs. Renu Sud Karnad as Non-Executive Independent Director

Item No. 6 – Re-appointment of Mr. Darius E Udwadia as Non-Executive Independent Director

Item No. 7 - Appointment of Mr. Morten Wierod as Non-Executive Non Independent Director.

Item No. 8 - Approval of remuneration to the Cost Auditor of the Company for Financial Year 2020.

(ii) Profile of Director seeking appointment/re-appointment

The profile of Directors retiring by rotation and seeking appointment/re-appointment at the 70th Annual General Meeting are given in the Annexure to the Notice convening the said Annual General Meeting.

Directors are not related to any other Director on the Board of the Company and Promoters of the Company.

(iii) Financial Year

Company's financial year is January – December. The Indicative calendar of events for the year 2020 (January - December) excluding Extra Ordinary General Meeting(s), if any, are as under:

Fourth Quarter Financial Results (Year 2019)	February 2020
First Quarter Financial Results	May 2020
Annual General Meeting	July 2020
Second Quarter Financial Results	July 2020
Third Quarter Financial Results	October 2020

In terms of the circular issued by Ministry of Corporate Affairs, as a Green Initiative and subsequent amendment to the Listing Regulations, soft copy of the Notice and the Annual Report for the financial year 2019 have been circulated to the respective e-mail IDs registered and available in Company's records.

(iv) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed for the purpose of payment of dividend from July 18, 2020 to July 24, 2020 (both days inclusive).

(v) Dividend Payment Date

The dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid on and from July 28, 2020, to those Members whose names appear on the Company's Register of Members as on July 17, 2020.

(vi) Listing on Stock Exchanges

The equity shares of the Company are currently listed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid till date, appropriate listing fee to both the stock exchanges.

Pursuant to the Regulation 39 (4) read with Schedule VI of the Listing Regulations, the Company's Registrar & Share Transfer Agents have already sent three reminders to those shareholders whose share certificates were returned undelivered and remain unclaimed so far. Further, as required, the Company has transferred the said unclaimed shares to one folio in the name of "ABB India Limited-Unclaimed Suspense Account", and the voting rights thereon have been frozen till the shares are claimed by the rightful owners. Details are given below:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	6 shareholders and 3,996 equity shares
Number of shareholders who approached issuer for transfer of shares from suspense account during the year.	Nil
Number of shareholders to whom shares were transferred from suspense account during the year.	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	6 shareholders and 3,996 equity shares

(vii) Stock Code

Equity Shares:

NSE ABB
BSE 500002
ISIN INE117A01022

(viii) Market Price Data

The market price data and volume of the Company's shares traded in the BSE Limited and the National Stock Exchange of India Limited, during the year 2019 were as follows:

Year 2019	ABB - BSE (₹)		BSE Sensex		ABB - NSE (₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
January	1,359	1,210	36,701	35,376	1,358	1,212	10,950	10,987
February	1,294	1,222	37,172	35,287	1,295	1,220	11,070	11,118
March	1,348	1,224	38,749	35,927	1,349	1,222	11,625	11,630
April	1,504	1,306	39,487	38,460	1,505	1,308	11,856	11,856
May	1,621	1,319	40,125	36,956	1,620	1,311	12,000	12,041
June	1,640	1,501	40,312	38,871	1,640	1,500	12,053	12,103
July	1,669	1,340	40,032	37,128	1,670	1,338	11,965	11,982
August	1,428	1,313	37,808	36,102	1,430	1,312	11,139	11,181
September	1,584	1,307	39,441	35,988	1,601	1,310	11,591	11,695
October	1,580	1,443	40,392	37,416	1,580	1,442	11,890	11,945
November	1,535	1,405	41,164	40,014	1,538	1,403	12,146	12,159
December	1,522	1,230	41,810	40,135	1,523	1,200	12,275	12,294

Performance in comparison to broad-based indices viz., BSE Sensex and NSE Nifty

ABB Share Price movement v/s BSE Sensex
January – December 2019

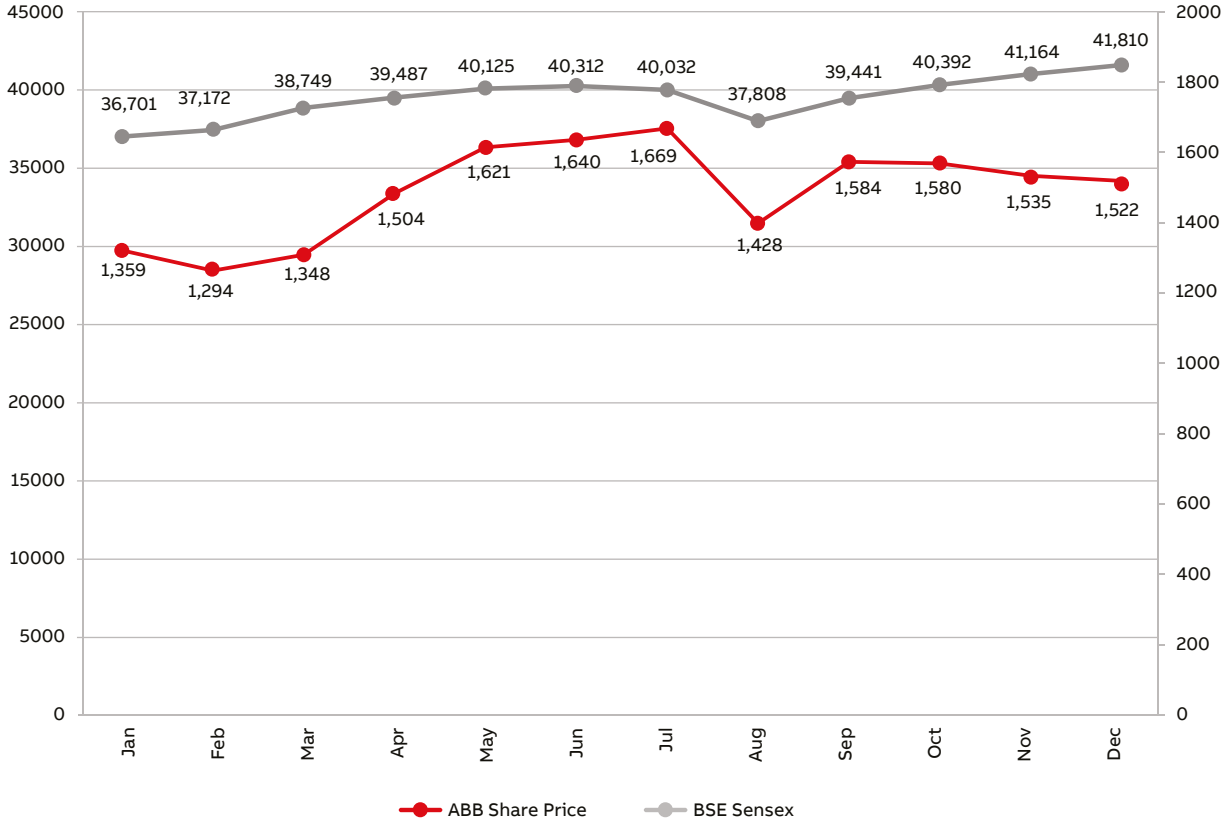
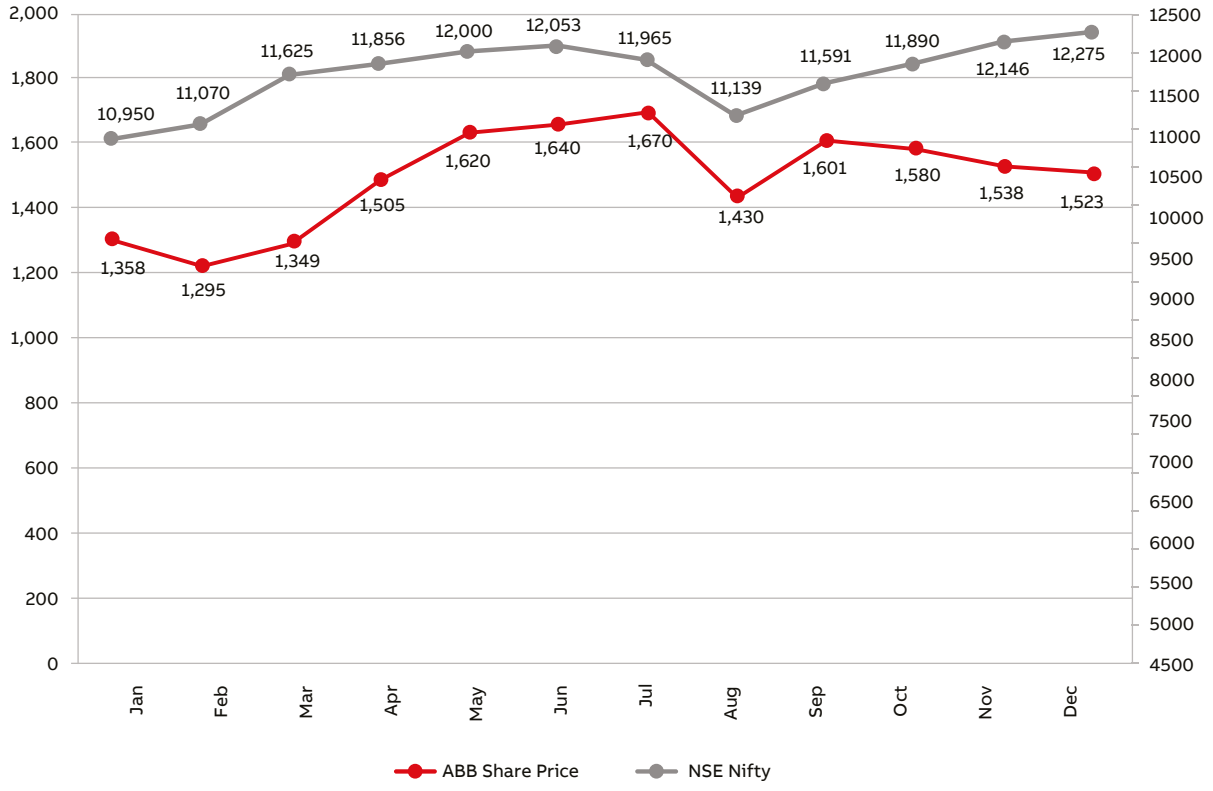


ABB Share Price movement v/s NSE Nifty
January – December 2019



(ix) Registrar and Share Transfer Agents

KFin Technologies Private Limited
(Formerly known as "Karvy Fintech Private Limited")
No.59, Skanda | Puttanna Road | Basavanagudi | Bengaluru 560 004 | India
P : +91 080 26603410 / 67453236
E-mail: einward.ris@kfintech.com
www.kfintech.com

KFin Technologies Private Limited
(Formerly known as "Karvy Fintech Private Limited")
Selenium Tower B, Plot Nos. 31 & 32 | Financial District
Nanakramguda |Serilingampally Mandal | Hyderabad - 500032 | Telangana | India
P: +91 40 67161653
Fax No. 040 – 23420814
E-mail: einward.ris@kfintech.com
www.kfintech.com

(x) Share Transfer System

The Company's shares being in compulsory demat list, are transferable through the depository system. In terms of the SEBI Listing Regulations transfer of shares in the physical form is not permitted beyond April 1, 2019. The transmission or transposition of shares are being processed by the Registrar and Share Transfer Agents, and approved by the Stakeholders Relationship Committee. In order to expedite the process, the Board of Directors has also delegated the authority severally to the Managing Director (MD) and the Company Secretary to approve transmission or transposition of shares and accordingly, the MD or the Company Secretary approve the transmission/ transposition of shares generally on a weekly basis. This process is reviewed by the Committee.

(xi) Shareholding Pattern

Shareholders	As on 31.12.2018		As on 31.12.2019	
	No. of shares	%	No. of shares	%
ABB Asea Brown Boveri Limited Zurich*	15,89,31,281	75.00	15,89,31,281	75.00
Mutual Funds	1,46,03,520	6.89	1,36,37,989	6.44
Foreign Portfolio - Corp	66,93,657	3.16	71,59,509	3.38
Foreign Institutional Investors	21,530	0.01	11,000	0.01
Trusts	1,70,90	0.01	4,152	0.00
Alternative Investment Fund	84,681	0.04	8,71,310	0.41
Resident Individuals	1,39,99,606	6.61	1,41,42,005	6.67
Non Resident Indians	1,33,586	0.06	2,39,902	0.11
Clearing Members	35,063	0.02	31,639	0.01
Indian Financial Institutions	1,38,83,594	6.55	1,10,65,139	5.22
Banks	1,30,425	0.06	8,265	0.00
Qualified Institutional Buyer	0	0.00	31,38,646	1.48
Non Resident Indian Non Repatriable	3,35,527	0.16	3,66,172	0.17
Bodies Corporates	16,14,117	0.76	9,61,585	0.45
Nbfc	4,51,633	0.21	3,78,590	0.18
Directors And Their Relatives	3,500	0.00	3,500	0.00
I E P F	5,37,523	0.25	5,37,471	0.25
H U F	4,31,337	0.20	4,19,515	0.20
Foreign Nationals	705	0.00	705	0.00
Total:	21,19,08,375	100	21,19,08,375	100

(xii) Distribution of Shareholding as on December 31, 2019

Category	No. of Shareholders	No. of Shares held	% of equity capital
1 – 5000	65,782	1,17,98,420	5.57
5001 – 10000	249	17,18,498	0.81
10001 – 50000	118	22,87,854	1.08
50001 – 100000	17	12,49,510	0.59
100001 and above	40	19,48,54,093	91.95
Total	**66,206**	**21,19,08,375**	**100.00**

(xiii) Dematerialisation of Shares and liquidity

The equity shares of the Company are available under dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are compulsorily traded in the dematerialised form.

As on December 31, 2019, out of 21,19,08,375 equity shares of the Company, 21,03,32,335 equity shares have been dematerialised representing 99.26%.

Your Company confirms that the promoters' holdings were converted into electronic form and the same is in line with the circulars issued by SEBI.

Shareholders who are still holding shares in physical form are requested to dematerialize their shares at the earliest, this will be more advantageous to deal in securities. For queries / clarification / assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.

(xiv) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity.

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

(xv) Code of Conduct

As required under Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on December 31, 2019.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) duly approved by the Board of Directors of the Company.

As per the above Code, Mr. B Gururaj is the Compliance Officer and Mr. T. K. Sridhar is the Chief Investor Relations Officer.

(xvi) Company affirms that all the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

(xvii) Plant Locations

The Company's plants are located at Peenya and Nelamangala in Bengaluru, Maneja in Vadodara, Faridabad, Visakhapatnam and Nashik.

(xviii) Commodity Price Risk / Foreign Exchange Risk and Hedging activities

The Company is exposed to foreign exchange risk on account of import and export transactions entered and it is exposed to commodity price risk on account of procurement of base metals (Copper and Aluminum) and precious metals (Silver) to be used in manufacturing activities. Details of commodities exposure are provided below:

a) Total Exposure of the Company to commodities in INR:2,84,86,81,834 /-
b) Exposure of the Company to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Copper	2,61,63,20,716	6,188 MT	-	-	90%	-	90%
Aluminium	2,70,31,918	214 MT	-	-	90%	-	90%
Silver	20,53,29,200	5.1 MT	-	-	90%	-	90%

c) Commodity risks faced by the Company during the year and how they have been managed

The Company is a sizable user of various commodities, including base metals & others, which exposes it to the price risk on account of procurement of commodities. The Company is proactively mitigating these risks by entering into commensurate hedging transactions with banks as per applicable guidelines and group risk management instructions.

(xix) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of complaints received during the FY 19 and the status of the same are provided in the Directors Report.

(xx) Credit ratings

The Company does not have any debt instrument, fixed deposit programme or any scheme or proposal for mobilization of funds. Hence, during the Financial Year 2019 it had not obtained any credit rating for this purpose.

(xxi) Address for correspondence

ABB India Limited
21st Floor, World Trade Center, Brigade Gateway, No.26/1,
Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560 055
Phone No: 080 22949150 - 22949153 | Fax No: 080 22949148
Corporate Secretarial E-mail ID: investor.helpdesk@in.abb.com
Corporate Website: www.abb.co.in

(xxii) Corporate Identity Number

The Corporate Identity Number (CIN), of the Company is L32202KA1949PLC032923.

(xxiii) Compliance Officer

Mr. B. Gururaj, Company Secretary (FCS-2631) is the Compliance Officer of the Company and Secretary to all the Committees of the Board.

15. Discretionary Requirements

- The position of the Chairman and Managing Director are separate.
- The Company does not maintain a separate office for the Non–Executive Chairman.
- The quarterly financial results are published in the newspapers of wide circulation and not sent to individual shareholders. Further the financial results are available on the website of the Company and of Stock Exchanges where the shares of the Company are listed i.e., BSE Limited and National Stock Exchange of India Limited. The Auditors' Opinion on the Financial Statements is unmodified.
- Internal Auditor reports directly to the Audit Committee.

For ABB India Limited

J C Deslarzes
Chairman
DIN: 08064621

Place: Bengaluru
Date: June 19, 2020

Declaration by the Managing Director under Listing Regulations regarding compliance with Business Conduct Guidelines (Code of Conduct).

In accordance with the Listing Regulations, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the Financial Year ended December 31, 2019.

For ABB India Limited

Sanjeev Sharma
Managing Director
DIN: 07362344

Place: Bengaluru
Date: June 19, 2020

Annexure - I to Directors' Report

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No: L32202KA1949PLC032923
Nominal Capital : ₹ 50 Crores

To
The Members of ABB India Limited,

We have examined all the relevant records of **ABB India Limited** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirernents) Regulations, 2015 for the financial year ended December 31, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has complied with items C, D and E.

For V. Sreedharan & Associates
Company Secretaries

(Pradeep B. Kulkarni)
Partner
F.C.S.7260; C.P.No.7835

Place : Bengaluru
Date : 09.03.2020
UDIN No. F007260A000601801

Annexure - J to Directors' Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st DECEMBER 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

To,
The Members,
ABB India Limited
CIN: L32202KA1949PLC032923
21st Floor, World Trade Center, Brigade Gateway,
No. 26/1, Dr. Rajkumar Road, Malleshwaram West,
Bengaluru- 560055

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ABB India Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31stDecember2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31stDecember2019 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of The Companies Act, 1956;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 /Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October,2014)- Not applicable as the Company has does not have ESOP Scheme/shares;
    e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted /proposed to delist its equity shares from any stock exchange during the financial year under review;
    h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back / proposed to buyback any of its securities during the financial year under review.

vi. The Company has identified the following laws as specifically applicable to the Company:

1. Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder
2. Boilers Act, 1923 & Rules made thereunder
3. Electricity Act, 2003
4. Indian Explosives Act, 1884
5. Gas Cylinder Rules, 1981 (under Indian Explosives Act)
6. Static and Mobile Pressure Vessels (Unfired) Rules, 1981 (under Indian Explosives Act)
7. Environment (Protection) Act, 1986
8. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ concerned State Rules.
9. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ concerned State Rules
10. Hazardous Wastes (Management and Handling) Rules, 1989
11. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
12. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ concerned State Rules.
13. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
14. The Employees' State Insurance Act, 1948 & its Central Rules/ concerned State Rules.
15. The Minimum Wages Act, 1948 & its Central Rules/ concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
16. The Payment of Wages Act, 1936 & its Central Rules/ concerned State Rules if any.
17. The Payment of Bonus Act, 1965 & its Central Rules/ concerned State Rules if any.
18. The Payment of Gratuity Act & its Central Rules/ concerned State Rules if any.
19. The Maternity Benefit Act, 1961 & its Rules.
20. The Equal Remuneration Act, 1976.
21. The Industrial Employment (Standing Orders) Act, 1946 & its Rules.
22. The Apprentices Act, 1961 & its Rules.
23. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
24. The Workmen's Compensation Act, 1923
25. The Industrial Dispute Act, 1947
26. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
27. The Information Technology Act, 2000

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the compositions of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

The Board of Directors of the Company, at its meeting held on March 5, 2019 approved a scheme of arrangement amongst the Company, ABB Power Products and Systems India Limited (a newly incorporated wholly owned subsidiary of the Company) and their respective Shareholders and Creditors, providing for the demerger of the Company's power grids business to ABB Power Products and Systems India Limited. The National Company Law Tribunal has vide its order dated November 27, 2019 sanctioned the Scheme of Arrangement. As per the sanctioned Scheme of Arrangement between the Company and ABB Power Products and Systems India Limited, Shareholders of the Company who are

holding equity shares as on the record date are entitled for one fully paid up equity share of Rs.2/- each of ABB Power Products and Systems India Limited for every five fully paid up equity shares of Rs.2/- each held in the Company.

The Board of Directors of the Company have provided their in-principal approval for sale of the Company's solar inverter business.

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

For BMP & Co. LLP,
Company Secretaries

Place: Bengaluru
Date: 12th February 2020
UDIN: F007834B000137810

Pramod S M
Partner
(FCS No: 7834 CP No: 13784)

This report to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
ABB India Limited
CIN: L32202KA1949PLC032923
21st Floor, World Trade Center, Brigade Gateway,
No. 26/1, Dr. Rajkumar Road, Malleshwaram West,
Bengaluru- 560055

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP,
Company Secretaries

Place: Bengaluru
Date: 12th February 2020
UDIN: F007834B000137810

Pramod S M
Partner
(FCS No: 7834 CP No: 13784)

Secretarial Compliance Report
FOR THE YEAR ENDED 31st DECEMBER 2019

To,
The Members,
ABB India Limited
CIN: L32202KA1949PLC032923
21st Floor, World Trade Center, Brigade Gateway,
No. 26/1, Dr. Rajkumar Road, Malleshwaram West,
Bengaluru – 560055

We, **BMP & Co. LLP,** have examined:

(a) all the documents and records made available to us and explanation provided by ABB India Limited ("the listed entity"),
(b) the filings/ submissions made by the listed entity to the stock exchanges,
(c) website of the listed entity,
(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st December 2019 ("Review Period") in respect of compliance with the provisions of :

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; – Not Applicable as the Company did not issue any security during the financial year under review.
(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable as the Company did not buyback any of its securities during the financial year under review.
(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; – Not applicable as the Company did not issue any Employee Stock Option Scheme for its employees;
(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - Not Applicable as Company has not issued Preference shares during the year under review;
(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review; and
(j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review;

and based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NA	NA	NA

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NA	NA	NA	NA

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NA	NA	NA	NA

For BMP & Co. LLP,
Company Secretaries

Place: Bengaluru
Date: 12th February 2020
UDIN: F007834B000137810

Pramod S M
Partner
(FCS No: 7834 CP No: 13784)

MD / CFO Certificate

To
The Board of Directors
ABB India Limited

We certify that;

A. We have reviewed financial statements and the cash flow statement of ABB India Limited for the year ended December 31, 2019 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violate the code of conduct of the Company.

C. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company over financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting;

D. We have indicated to the Auditors and the Audit Committee that there are:
   1. no significant changes in internal control over financial reporting during the year;
   2. no significant changes in the accounting policies except as disclosed in the financial statements; and
   3. no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

E. We affirm that we have not denied any personnel access to the Audit Committee of the Company and we have provided protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices.

We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Sanjeev Sharma
Managing Director
DIN: 07362344

T. K. Sridhar
Chief Financial Officer

Place: Bengaluru
Date: February 12, 2020

02
Financial Statements

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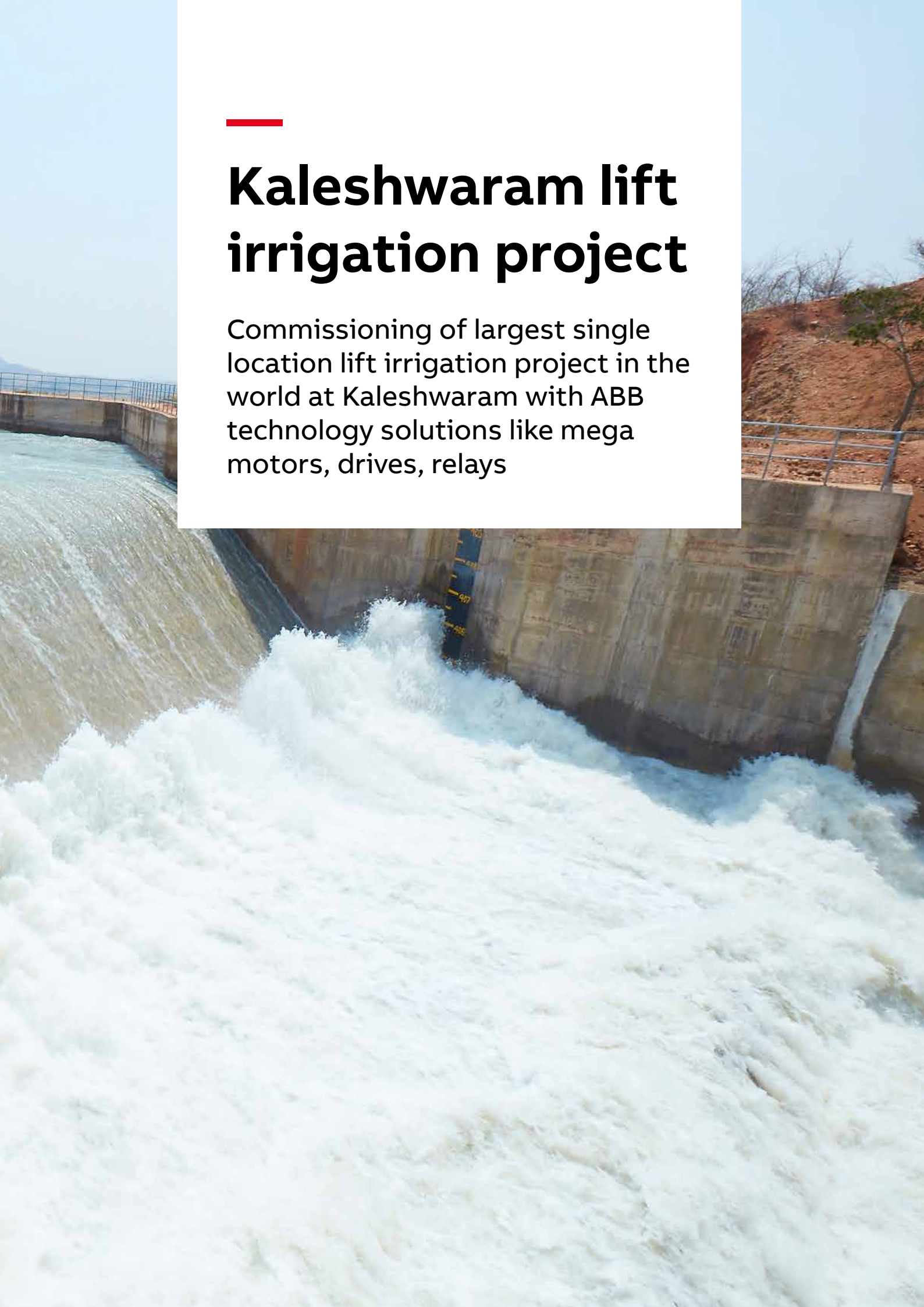
Kaleshwaram lift irrigation project

Commissioning of largest single location lift irrigation project in the world at Kaleshwaram with ABB technology solutions like mega motors, drives, relays



Independent Auditors' Report
To the Members of ABB India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABB India Limited ("the Company"), which comprise the balance sheet as at 31 December 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and in the context of the overriding effect of the provision in the scheme of arrangement as approved by the National Company Law Tribunal ('NCLT'), regarding accounting of demerger of Power Grid Segment from the specified retrospective appointed date, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 32 to the financial statements regarding the Scheme of Arrangement ('Scheme') for demerger of the power grid business of the Company to ABB Power Products and Systems India Limited. The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated 27 November 2019 and a certified copy has been filed by the Company with the Registrar of Companies, Bangalore, on 1 December 2019. In accordance with the scheme approved by NCLT, the Company has given effect to the Scheme from the retrospective appointed date specified therein i.e. 1 April 2019.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Revenue recognition **See note 2.6, 23 and 43 to the financial statements** A significant portion of the Company's business comprises long-term fixed price projects. Revenue from these contracts is recognized in accordance with the principles laid down in Ind AS 115, Revenue from Contracts with Customers, and as detailed in "significant accounting policies" in the financial statements. The first time application of Ind AS 115 with effect from 1 January 2019 was of relevance for our audit as it required the Company-wide assessment of contracts in relation to the new accounting criteria. In accordance with this guidance, the Company classifies its various contracts with customers and determines whether revenue should be recognized at "point in time" or "over the time" basis. There are various areas involving complexities, judgements and estimates involved in accounting for revenue recognized on "over the time" basis, including: • Estimation of total contract costs at inception and remaining costs to completion, which is a critical factor in measuring progress of a contract and amounts of revenue to be recognized; and • Assessment of various risks emanating from operational delays, contract terms, changes in estimations, technical, legal, external environment etc. This requires the Company to estimate various costs to capture such risks, including liquidated damages and warranties. In view of the above and because the Company and its external stakeholders focus on revenue as a key performance indicator, we determined this area to be an area involving significant risk, an area of audit focus, and accordingly a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. 2. We tested key controls (both design and operating effectiveness) with respect to revenue recognition. 3. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. 4. We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents using statistical sampling. 5. We evaluated management's estimates (contract costs and risk provisions) by performing analytical procedures on such estimates. 6. We performed a retrospective review for contracts completed during the current year by comparing the final outcome of the contracts with previous estimates made for those contracts to assess the reliability of the management's estimation process. 7. We performed tests for completeness and appropriateness of actual cost booked in the correct period, by testing the underlying documents for samples selected using statistical sampling.
Recoverability of trade receivables **See note 2.13(a), 11 and 36(iii)(i) to the financial statements** Trade receivables, including retention money with customers, forms a significant part of the financial statements. Customer contracts typically involve time consuming and complex conditions around closure of contracts, including technical acceptances. This generally leads to longer and significant time for realization of receivables. As a result of the above, management's assessment of recoverability of trade receivables, involves critical evaluation of all factors impacting recoverability, including impact of external environment, capability of customers to pay, etc. Management makes an impairment allowance for trade receivables on the basis of it's assessment of recoverability of specific customers and on the basis of expected credit loss model for the remaining customers in accordance with Ind AS 109, Financial Instruments. For the purposes of impairment assessment, significant judgements and assumptions are made, including assessing credit risk, timing and amount of realization, etc. In view of above, we determined this area to be an area of audit focus, and accordingly a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We obtained an understanding of the processes implemented by management to estimate impairment provision against trade receivables. 2. We tested key controls (both design and operating effectiveness) over management's estimate of impairment loss. 3. We obtained and tested the correctness of ageing of trade receivables on a sample basis using statistical sampling. 4. We evaluated the model adopted by management to estimate the expected credit loss and tested related computations. We challenged management in respect of the various judgements and estimates made in the model. We corroborated management's estimates on the basis of past trends and historical evidences. 5. We obtained and discussed management assessment of impairment for specific customer balances and understood reasons for the determination. 6. We have circulated direct confirmations on a sample basis using statistical sampling. In case of non- receipt of such confirmations, alternate test procedures such as testing subsequent receipts and underlying documents have been performed.
Discontinued operations **See note 2.23 and 32 to the financial statements** During the year, the Company has carved out and transferred its Power Grid segment to another entity. The said transaction has been accounted for in the financial statements of the entity as a common control transaction under Ind AS 103 – Business Combinations and in accordance with the order of National Company Law Tribunal (NCLT) dated 27 November 2019. We have identified this transaction relating to discontinued operations, as a key audit matter because of significant complexities in its accounting and disclosure requirements.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: 1. We tested the design of key controls and operating effectiveness of the relevant key controls around the accounting and disclosure of discontinued operations and transfer of the segment during the year. 2. We obtained and read the key documents relating to the transfer of the segment (scheme of arrangement and approval granted by NCLT). We have evaluated whether the method of accounting followed by the Company is in accordance with the scheme approved by NCLT and the relevant accounting guidelines. 3. We tested the correctness of assets and liabilities transferred to the buyer. 4. We tested the reconciliations between the trial balance and the details of assets / liabilities transferred, carried out by management to check completeness of assets and liabilities transferred to the buyer. 5. We assessed the adequacy and appropriateness of the disclosures in the financial statements, relating to the discontinued operations and the transfer of segment, as required by the accounting standards.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements, read with note 32 therein and the Emphasis of Matter paragraph above, comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 December 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 December 2019 on its financial position in its financial statements - Refer Note 39 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 36 to the financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 December 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W – 100022

Amit Somani
Partner
Membership number. 060154
UDIN: 20060154AAAACB5408

Place: Bengaluru
Date: February 12, 2020

Annexure – A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 December 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified every year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for freehold land aggregating to 5 acres and 31 guntas, acquired by the Company, on a slump sale basis in 2011. As explained to us, registration of the title deeds for this land is in process.

(ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on such verification between the physical stock and book records were not material. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.

(iii) According to the information and explanation given to us, the Company has granted loan to a company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act").

(a) In our opinion and according to the information and explanation given to us, the terms and conditions on which the loan had been granted to the company listed in the register maintained under section 189 of the act, are not prejudicial to the Company's interest.

(b) According to the information and explanation given to us, the loan granted along with interest thereon, is repayable on the date of maturity. We are informed that the loan granted along with interest thereon has not yet become due and thus, there has been no default on the part of the company to whom the money has been lent.

(c) There are no amounts of loans granted to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Act, which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the loans given. There are no investments made, guarantees given and securities given in respect of which section 186 of the Act are applicable. Further, there are no loans, guarantees and securities given in respect of which the provisions of section 185 of the Act are applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, service tax and excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other material statutory dues were in arrears as at 31 December 2019 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, duty of customs, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount (₹ in Crores)*	Period to which it relates	Forum where dispute is pending
Faridabad Development Act (Octroi)	Product Classification	3.04	1986-1994	High Court
Customs Act, 1962	Tax, interest and penalty	15.80	2008-2018	Commissioner of Customs/ Custom Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Tax, interest and penalty	75.55	2011-2015	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Tax, interest and penalty	70.11	1996-2015	Commissioner (Appeals)/Commissioner (LTU) / Ministry of Finance (Department of Revenue)/ Custom Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Tax, interest and penalty	31.05	2006-2015	Commissioner (Appeals)/ Custom Excise & Service Tax Appellate Tribunal/ Supreme Court
Sales Tax Act	Tax, interest and penalty	239.05	1994-2019	Additional Commissioner (Appeals) / Assistant Commissioner of Commercial Taxes / Commissioner of Commercial Taxes / Deputy Commissioner of Commercial Taxes (Appeals) / Deputy Commissioner (Appeals) / Joint Commissioner of Commercial Taxes (Appeals) / Taxation Board/ High Court/ Sales Tax Appellate Tribunal

* Net of amounts paid under protest.

(viii) According to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from any financial institution or bank or government or dues to debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Amit Somani
Partner
Membership number: 060154
UDIN: 20060154AAAACB5408

Place: Bengaluru
Date: February 12, 2020

Annexure B to the Independent Auditors' report on the financial statements of ABB India Limited for the year ended 31 December 2019.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of ABB India Limited ("the Company") as of 31 December 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 December 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Amit Somani
Partner
Membership number: 060154
UDIN: 20060154AAAACB5408

Place: Bengaluru
Date: February 12, 2020

Balance Sheet

(₹ in Crores)

Balance Sheet as at December 31, 2019	Notes	2019	2018
Assets			
Non-current assets			
Property, plant and equipment	3	**719.80**	871.30
Capital work-in-progress	3	**59.48**	83.06
Goodwill	4	**14.62**	14.62
Other intangible assets	4	**7.27**	7.22
Financial assets			
Investments	5	**-**	0.09
Loans	6	**10.51**	10.42
Other financial assets	7	**9.76**	1.51
Deferred tax assets (net)	8	**110.34**	114.96
Non-current tax assets (net)	9	**174.42**	288.88
Other non-current assets	10	**196.44**	159.72
		1,302.64	1,551.78
Current assets			
Inventories	14	**861.73**	927.85
Financial assets			
Investments	5	**0.08**	0.08
Trade receivables	11	**1,947.54**	1,686.89
Cash and cash equivalents	12	**1,594.91**	1,472.40
Bank balance other than cash and cash equivalents	13	**2.66**	2.67
Loans	6	**366.53**	15.84
Other financial assets	7	**613.87**	281.91
Current tax assets (net)	9	**112.34**	-
Other current assets	15	**475.96**	335.26
		5,975.62	4,722.90
Assets classified as held for sale and discontinued operation	32	**-**	2,802.22
Assets classified as held for sale	45	**422.57**	-
Total Assets		**7,700.83**	9,076.90
Equity and liabilities			
Equity			
Equity share capital	16	**42.38**	42.38
Other equity	17	**3,477.73**	3,964.94
		3,520.11	4,007.32
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	**7.06**	2.03
Other financial liabilities	19	**3.56**	3.49
Provisions	20	**44.97**	32.29
		55.59	37.81
Current liabilities			
Financial liabilities			
Trade payables	21		
Total outstanding dues to micro enterprises and small enterprises		**24.71**	123.80
Total outstanding dues to creditors other than micro enterprises and small enterprises		**1,876.89**	1,750.71
Other financial liabilities	19	**1,216.01**	403.38
Other current liabilities	22	**494.38**	397.76
Provisions	20	**241.50**	233.38
		3,853.49	2,909.03
Liabilities directly associated with discontinued operation	32	**-**	2,122.74
Liabilities directly associated with assets held for sale	45	**271.64**	-
Total Equity and liabilities		**7,700.83**	9,076.90

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Amit Somani
Partner
Membership no.: 060154
Bengaluru, February 12, 2020

For and on behalf of the Board
J C Deslarzes (DIN-08064621) Chairman
Sanjeev Sharma (DIN-07362344) Managing Director
Nasser Munjee (DIN-00010180) Director
T. K. Sridhar Chief Financial Officer
B. Gururaj (FCS-2631) Company Secretary

Bengaluru, February 12, 2020

Statement of Profit and Loss

(₹ in Crores)

For the year ended December 31, 2019	Notes	2019	2018
Income			
Revenue from operations	23	**7,315.06**	6,690.12
Other income	24	**94.31**	84.01
Total income		**7,409.37**	6,774.13
Expenses			
Cost of raw materials, components consumed and project bought outs	25	**4,194.97**	3,755.62
Purchases of traded goods	26	**471.02**	582.11
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	27	**(26.73)**	(50.38)
Subcontracting charges		**221.88**	226.30
Employee benefit expenses	28	**579.62**	529.50
Depreciation and amortisation expense	29	**90.40**	92.76
Finance costs	30	**21.36**	53.90
Other expenses	31	**1,343.15**	1,189.18
Total expenses		**6,895.67**	6,378.99
Profit from continuing operations before exceptional items and tax		**513.70**	395.14
Exceptional items (refer note 45)		**69.70**	-
Profit from continuing operations before tax		**444.00**	395.14
Tax expense:			
Current tax	8	**130.32**	139.65
Deferred tax	8	**11.45**	1.30
		141.77	140.95
Profit from continuing operations after tax		**302.23**	254.19
Discontinued operation	32		
Profit from discontinued operation		**1.65**	399.10
Tax expense of discontinued operation		**0.48**	142.40
Profit from discontinued operation after tax		**1.17**	256.70
Profit for the year		**303.40**	510.89
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement income/(loss) on defined benefit plan		**(5.10)**	2.99
Income tax effect	8	**1.28**	(1.04)
Other comprehensive income for the year, net of income tax		**(3.82)**	1.95
Total comprehensive income for the year, net of income tax		**299.58**	512.84
Earnings per equity share - continuing operations	33		
Basic		**14.26**	12.00
Diluted		**14.26**	12.00
Earnings per equity share - discontinued operation	33		
Basic		**0.06**	12.11
Diluted		**0.06**	12.11
Earnings per equity share - continuing and discontinued operations	33		
Basic		**14.32**	24.11
Diluted		**14.32**	24.11

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Amit Somani
Partner
Membership no.: 060154
Bengaluru, February 12, 2020

For and on behalf of the Board
J C Deslarzes (DIN-08064621) Chairman
Sanjeev Sharma (DIN-07362344) Managing Director
Nasser Munjee (DIN-00010180) Director
T. K. Sridhar Chief Financial Officer
B. Gururaj (FCS-2631) Company Secretary

Bengaluru, February 12, 2020

Cash Flow Statement

(₹ in Crores)

For the year ended December 31, 2019	2019	2018
A. Cash flow from operating activities		
Profit before tax from continuing operations	**444.00**	395.14
Profit before tax from discontinued operation	**1.65**	399.10
Adjustments to reconcile profit before tax to net cash provided by operating activities		
Depreciation and amortisation expense	**103.99**	145.78
Unrealised exchange loss / (gains) (net)	**27.90**	(19.10)
Mark to market change in forward and commodity contracts	**(8.16)**	0.54
Profit on sale of mutual funds	**-**	(12.22)
Profit on sale of business	**-**	(14.01)
(Profit) / loss on sale of fixed assets (net)	**(7.58)**	3.84
Bad debts / advances written off	**67.34**	86.50
Provision for doubtful debts and advances	**(23.81)**	12.56
Interest income	**(78.39)**	(60.49)
Interest expense	**29.12**	76.69
Operating profit before working capital changes	**556.06**	1,014.33
Movement in working capital		
Increase / (decrease) in trade payables	**93.46**	483.52
Increase / (decrease) in other financial liabilities	**1,014.76**	13.55
Increase / (decrease) in other liabilities and provisions	**222.89**	134.70
(Increase) / decrease in trade receivables	**(545.09)**	(646.46)
(Increase) / decrease in inventories	**(81.04)**	(197.79)
(Increase) / decrease in other financial assets	**(450.24)**	55.57
(Increase) / decrease in loans and other assets	**29.82**	(7.18)
Cash generated from operations	**840.62**	850.24
Direct taxes paid (net of refunds)	**(173.75)**	(224.78)
Net cash flow from operating activities	**666.87**	625.46
B. Cash flow from investing activities		
Purchase of property, plant and equipment	**(137.41)**	(243.68)
Proceeds from sale of property, plant and equipment	**15.94**	7.65
Proceeds from sale of business	**-**	33.88
Loan given to related party	**(347.62)**	-
Proceeds from maturity of investments	**0.09**	16.04
Interest received	**78.32**	63.19
Proceeds from redemption of investment in mutual funds	**-**	266.63
Net cash flow from/(used in) investing activities	**(390.68)**	143.71
C. Cash flow from financing activities		
Repayment of debentures	**-**	(600.00)
Net proceeds from finance lease obligation	**5.03**	(1.43)
Interest paid	**(29.12)**	(79.85)
Dividend paid (including tax on dividend)	**(122.63)**	(112.41)
Net cash flow from / (used in) financing activities	**(146.72)**	(793.69)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**129.47**	(24.52)
Effects of exchange (loss) / gain on cash and cash equivalents	**(0.20)**	1.27
Cash and cash equivalents pertaining to discontinued operations (refer note 32)	**(6.46)**	6.46
Cash and cash equivalents pertaining to assets held for sale (refer note 45)	**(0.30)**	-
Cash and cash equivalents (opening balance)	**1,472.40**	1,489.19
Cash and cash equivalents (closing balance)	**1,594.91**	1,472.40
Components of cash and cash equivalents		
Cash and bank balances	**1,597.57**	1,475.07
Less: Unpaid dividend account	**2.66**	2.67
(Also refer note no. 13)	**1,594.91**	1,472.40

Note:
1) Cash and cash equivalents at the end of the year represent cash and cheques on hand / remittence in transit and cash and deposits with banks.
2) Cash flow statement is made using the indirect method.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Amit Somani
Partner
Membership no.: 060154
Bengaluru, February 12, 2020

For and on behalf of the Board
J C Deslarzes (DIN-08064621) Chairman
Sanjeev Sharma (DIN-07362344) Managing Director
Nasser Munjee (DIN-00010180) Director
T. K. Sridhar Chief Financial Officer
B. Gururaj (FCS-2631) Company Secretary

Bengaluru, February 12, 2020

Statement of changes in equity for the year ended December 31, 2019

a. Equity share capital:

Equity shares of ₹2 each issued, subscribed and fully paid

	Numbers	(₹ in Crores)
As at January 1, 2018	21,19,08,375	42.38
Changes in equity share capital	-	-
As at December 31, 2018	21,19,08,375	42.38
Changes in equity share capital	-	-
As at December 31, 2019	**21,19,08,375**	**42.38**

b. Other equity

(₹ in Crores)

Particulars	Other equity							
	Securities premium	Employee stock options reserve	Retained earnings	General reserve	Capital redemption reserve	Capital reserve	Debenture redemption reserve	Total equity
As at January 1, 2018	60.00	0.07	397.68	2,948.16	7.50	1.10	150.00	3,564.51
Profit for the year	-	-	510.89	-	-	-	-	510.89
Other comprehensive income (net of tax)	-	-	1.95	-	-	-	-	1.95
Transfers within equity	-	-	-	150.00	-	-	(150.00)	-
Dividend paid	-	-	(93.24)	-	-	-	-	(93.24)
Dividend distribution tax	-	-	(19.17)	-	-	-	-	(19.17)
Employee stock option expense	-	-	-	-	-	-	-	-
Balance at December 31, 2018	60.00	0.07	798.11	3,098.16	7.50	1.10	-	3,964.94
Profit for the year	**-**	**-**	**303.40**	**-**	**-**	**-**	**-**	**303.40**
Other comprehensive income/ (loss) (net of tax)	**-**	**-**	**(3.82)**	**-**	**-**	**-**	**-**	**(3.82)**
Demerger adjustment (Refer note 32)	**(16.72)**	**-**	**(149.93)**	**(507.10)**	**-**	**(0.18)**	**-**	**(673.93)**
Dividend paid	**-**	**-**	**(101.72)**	**-**	**-**	**-**	**-**	**(101.72)**
Dividend distribution tax	**-**	**-**	**(20.91)**	**-**	**-**	**-**	**-**	**(20.91)**
Change in accounting policy of retention discounting (net of tax)	**-**	**-**	**9.77**	**-**	**-**	**-**	**-**	**9.77**
As at December 31, 2019	**43.28**	**0.07**	**834.90**	**2,591.06**	**7.50**	**0.92**	**-**	**3,477.73**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Amit Somani
Partner
Membership no.: 060154
Bengaluru, February 12, 2020

For and on behalf of the Board
J C Deslarzes (DIN-08064621) Chairman
Sanjeev Sharma (DIN-07362344) Managing Director
Nasser Munjee (DIN-00010180) Director
T. K. Sridhar Chief Financial Officer
B. Gururaj (FCS-2631) Company Secretary

Bengaluru, February 12, 2020

Notes to the financial statements for the year ended December 31, 2019

1. Corporate information

ABB India Limited ('the Company') has served utility and industry customers for over six decades with the complete range of engineering, products, solutions and services in areas of Automation and Power technology. The Company has extensive installed base for manufacturing and a countrywide marketing and service presence. Besides catering to Indian domestic market, the Company is also playing an increasing role in the global market.

The Company is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office is located at Bengaluru. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The financial statements are approved for issue by the Company's Board of Directors on February 12, 2020.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

A Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

B Functional and presentation currency

The financial statements are presented in INR in crores, rounded off to two decimal places, except when otherwise indicated.

C Basis of measurement

The financial statements have been prepared on the historical cost convention basis, except for certain financial instruments (refer accounting policy regarding financial instruments), which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.3. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Critical accounting estimates and judgements

2.3.1 Estimates

a. Project revenue and costs

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c. Employee benefits

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate and past trends. Further details about gratuity obligations are given in Note 34.

d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

2.3.2 Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes
- Note 40 - leases: whether an arrangement contains a lease; and
- Note 40 - lease classification;

2.4 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

All assets and liabilities have been classified as current or non- current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non- current classification of assets and liabilities, except for projects business. The projects business comprises long-term contracts which have an operating cycle exceeding one year. For classification of current assets and liabilities related to projects business, the Company uses the duration of the individual life cycle of the contract as its operating cycle.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.5 Foreign Currency

Functional currency
The functional currency of the company is the Indian Rupee.

Transactions and translations
Initial recognition transactions in foreign currencies are recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. The gains or losses resulting from such translations are recognised in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

2.6 Revenue Recognition

Effective January 1, 2019, the Company has adopted Ind AS 115, "Revenue from Contracts with Customers" using the cumulative effect approach, as the transitional provision option available to the Company. The effect of applying this standard is recognised at the date of application (i.e. January 1, 2019) as an adjustment to retained earnings. (Refer note 44) for the overall impact of this change in the accounting policy. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue are stated exclusive of goods and service tax and net of trade and quantity discount.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

In case of large transformers, revenue is recognized on achievement of contractual milestone. Revenue recognized in excess of billing has been reflected under "Other financial assets" as unbilled revenue.

Revenues from long-term contracts are recognized on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.

Liquidated damages / penalties are provided for as per the contract terms wherever there is a delayed delivery attributable to the Company.

Revenue from the development services is recognised as per the contract terms and when accrued. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Commission income is recognized as per contract terms and when accrued.

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income is recognised on time proportion basis.

2.7 Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it

is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.8 Property, plant and equipment

On transition to Ind-AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st January, 2016 measured as per the previous GAAP and use that carrying value as a deemed cost of property, plant and equipment.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Useful lives estimated by the management in years:

• Leasehold land, leasehold improvements and other leased assets (over the period of lease)	1-10
• Factory buildings	15-30
• Other buildings	3-60
• Furniture and fixtures	10
• Office equipments	3-5
• Plant and equipment	2-21
• Vehicles	5

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred. The estimated useful life of assets are as follows:

• Technical know-how fees	3-10
• Capitalized software costs	3-5
• Goodwill on business acquisition is not amortized but tested for impairment.	

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

2.10 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are charged to statement of profit and loss on straight line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of various categories of inventories is arrived at as follows:

Stores, spares, raw materials, components and traded goods - at rates determined on the moving weighted average method.

Goods in Transit – at actual cost.

Work-in-progress and finished goods - at full absorption cost method which includes direct materials, direct labour and manufacturing overheads. Cost is determined on weighted average method.

Provision for obsolescence is made wherever necessary.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Impairment

a. Financial assets

Financial assets (other than at fair value) The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial Instruments') requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company provides for impairment upon the occurrence of the triggering event.

b. Non-financial assets

Intangible assets and property, plant and equipment

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.14 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.15 Other income

Other income is comprised primarily of interest income. Interest income is recognized using the effective interest method.

2.16 Provisions & Contingent liability

General

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of time value of money is material, Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised or disclosed in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.17 Financial instruments

2.17.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

2.17.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business where the objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business where the objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

b. Derivative financial instruments

The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss. when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income / expenses. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Certain commercial contracts may grant rights to the Company or the counterparties, or contain other provisions that are considered to be derivatives. Such embedded derivatives are assessed at inception of the contract and depending on their characteristics, accounted for as separate derivative instruments and shown at their fair value in the balance sheet with changes in their fair value recognized through profit or loss.

2.18 Fair value of financial instruments

Fair value hierarchy:
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.19 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.20 Employee benefits

2.20.1 Gratuity & Provident Fund - Defined benefit plans

The present value of the obligation under defined benefit plans are determined based on actuarial valuation using the Projected Unit Credit Method. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Incase of defined benefit plans, remeasurement comprising of actuarial gains and losses is recognized in other comprehensive income (OCI) and is reflected in retained earnings and is not eligible to be reclassified to profit or loss.

The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service cost including current service cost, past service cost and gains and losses on curtailments and settlements; and
- Net interest expense or income.

Provident fund has been considered as a defined benefit plan since any additional obligations on account of investment risk and interest rate risk are required to be met by the Company.

2.20.2 Superannuation - Defined contribution scheme

Contribution to Superannuation Fund, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the statement of profit and loss during the period in which the employee renders the related services. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

2.20.3 Compensated absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company presents the entire accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

2.20.4 Share based compensation

The company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

2.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and cheque at hand / remittance in transit and cash and deposit with bank.

2.22 Operating cycle

A portion of the Company's activities (primarily long-term project activities) has an operating cycle that exceeds one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realized/paid within one year, have been classified as current. For all other activities, the operating cycle is twelve months.

2.23 Non-current assets held for sale and discontinued operations

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the balance sheet. A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and:

(a) represents a separate major line of business or geographical area of operations and;

(b) is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the statement of profit and loss. The comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

2.24 Recent Indian Accounting Standards (Ind AS)

Following new standard and amendment to Ind AS have not been applied by the Company as they are effective for annual periods beginning on or after January 1, 2020:

Standards issued but not effective on Balance Sheet date:

Ind AS 116 - Leases

The Company is required to adopt Ind AS 116 Leases from 1 January 2020. Ind AS 116 replaces existing leases guidance, including Ind AS 17 Leases. Ind AS 116 introduces a single Balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

i. Leases in which the Company is a lessee

Under the new standard, the Company will be required to recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. The Company is in the process of evaluating the potential impact of the adoption of Ind AS 116 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

ii. Leases in which the Company is a lessor

No impact is expected for leases in which the Company is a lessor.

iii. Transition

The Company plans to apply Ind AS 116 using the modified retrospective method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2020) in retained earnings. As a result, the Company will not present individual line items appearing under comparative period presentation.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

An entity shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend. Therefore, the entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any significant impact of this amendment on its financial statements.

The amendment to Appendix C of Ind AS 12 outlines the following:

a. whether an entity considers uncertain tax treatments separately - The entity shall use judgement to determine whether each tax treatment should be considered separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty and in determining the approach an entity might consider how it prepares its income tax filings and supports tax treatments; or how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

b. the assumptions an entity makes about the examination of tax treatments by taxation authorities- The entity shall assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

c. how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates - The entity shall consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the aforesaid probability.

The Company does not expect any significant impact of this amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendment clarifies that when determining past service cost, or a gain or loss on settlement due to plan amendment, curtailment or settlement, an entity shall remeasure the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, including current market interest rates and other current market prices, reflecting:

a. the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and

b. the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and

Further, if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect any significant impact of this amendment on its financial statements.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that an entity shall be required to apply Ind AS 109 - “Financial Instruments”, to long-term interests in an associate or joint venture that form part of the entity’s net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect any significant impact of this amendment on its financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendment to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages and the entity shall re-measure its previously held interests in that business. The amendment to Ind AS 111 clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the amendment if and when it obtains control / joint control of a business that is a joint operation.

3 Property, plant and equipment and capital work-in-progress

(₹ in Crores)

	Owned assets									Leased assets	
	Freehold Land	Leasehold Land	Leasehold Improvements	Factory Buildings	Other Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Vehicles	Plant and Equipment	Total
Gross carrying value											
As at January 1, 2018	67.28	21.24	24.25	304.36	64.24	866.95	16.51	44.74	0.81	12.00	1,422.38
Additions	1.30	-	6.24	10.54	29.52	151.57	10.48	25.70	0.15	3.71	239.21
Disposals	-	(0.78)	(9.22)	(3.52)	(0.73)	(29.46)	(2.58)	(3.53)	-	-	(49.82)
Transferred to discontinued operations	(13.59)	-	(0.35)	(19.94)	(4.91)	(455.08)	(3.46)	(8.38)	(0.25)	-	(505.96)
As at December 31, 2018	54.99	20.46	20.92	291.44	88.12	533.98	20.95	58.53	0.71	15.71	1,105.81
Additions	**-**	**-**	**0.21**	**18.18**	**5.78**	**103.50**	**6.21**	**6.11**	**-**	**13.31**	**153.30**
Disposals	**-**	**-**	**(0.17)**	**(0.55)**	**(1.08)**	**(21.13)**	**(1.95)**	**(4.51)**	**(0.40)**	**-**	**(29.79)**
Transferred to discontinued operations	**(0.12)**	**(9.13)**	**(0.05)**	**(135.34)**	**(24.53)**	**(26.13)**	**(3.84)**	**(6.46)**	**-**	**-**	**(205.60)**
Assets held for sale	**-**	**-**	**-**	**(5.10)**	**(0.36)**	**(32.70)**	**(0.77)**	**(0.35)**	**-**	**-**	**(39.28)**
As at December 31, 2019	**54.87**	**11.33**	**20.91**	**168.63**	**67.93**	**557.52**	**20.60**	**53.32**	**0.31**	**29.02**	**984.44**
Accumulated depreciation											
Balance as at January 1, 2018	-	0.66	11.87	24.32	6.65	212.62	7.33	12.51	0.25	3.57	279.78
Depreciation charge for the year	-	0.32	2.51	12.73	3.47	99.14	4.27	7.42	0.19	5.22	135.27
Disposals	-	(0.11)	(9.21)	(1.30)	(0.35)	(22.67)	(2.57)	(3.00)	-	-	(39.21)
Transferred to discontinued operations	-	-	(0.13)	(2.59)	(0.72)	(133.97)	(1.56)	(2.19)	(0.17)	-	(141.33)
As at December 31, 2018	-	0.87	5.04	33.16	9.05	155.12	7.47	14.74	0.27	8.79	234.51
Depreciation charge for the year	**-**	**0.25**	**2.70**	**8.37**	**2.47**	**55.14**	**4.55**	**6.45**	**0.14**	**6.68**	**86.75**
Disposals	**-**	**-**	**(0.17)**	**(0.08)**	**(0.37)**	**(14.46)**	**(1.82)**	**(4.35)**	**(0.34)**	**-**	**(21.59)**
Transferred to discontinued operations	**-**	**(0.30)**	**(0.04)**	**(16.18)**	**(4.00)**	**(7.25)**	**(1.75)**	**(2.05)**	**-**	**-**	**(31.57)**
Assets held for sale	**-**	**-**	**-**	**(0.37)**	**(0.01)**	**(2.80)**	**(0.21)**	**(0.07)**	**-**	**-**	**(3.46)**
As at December 31, 2019	**-**	**0.82**	**7.53**	**24.90**	**7.14**	**185.75**	**8.24**	**14.72**	**0.07**	**15.47**	**264.64**
Net carrying value as at December 31, 2018	54.99	19.59	15.88	258.28	79.07	378.86	13.48	43.79	0.44	6.92	871.30
Net carrying value as at December 31, 2019	**54.87**	**10.51**	**13.38**	**143.73**	**60.79**	**371.77**	**12.36**	**38.60**	**0.24**	**13.55**	**719.80**
Capital work in progress as at December 31, 2018											83.06
Capital work in progress as at December 31, 2019											**59.48**

Notes:

a) Other buildings include cost of shares in Lotus Court Private Limited ₹ **0.01** crores.

b) The Company had acquired freehold land of 20 acres 36 guntas on a slump sales basis, in 2011. Out of such free hold land acquired 15 acres and 5 guntas is registered in the Company's name and the balance 5 acres and 31 guntas is in the process of being registered.

c) There are no tangible assets given on operating lease.

4 Intangible assets

(₹ in Crores)

	Goodwill	Other intangible assets		
		Technical Know-how fees	Capitalised Software	Total
Gross carrying value				
As at January 1, 2018	46.42	49.48	6.82	56.30
Additions	-	-	2.45	2.45
Disposals	-	(1.20)	(0.40)	(1.60)
Transferred to discontinued operations	(31.80)	(33.36)	(2.29)	(35.65)
As at December 31, 2018	14.62	14.92	6.58	21.50
Additions	**-**	**0.61**	**3.12**	**3.73**
Disposals	**-**	**(2.24)**	**(0.20)**	**(2.44)**
Assets held for sale	**-**	**(0.68)**	**(0.06)**	**(0.74)**
As at December 31, 2019	**14.62**	**12.61**	**9.44**	**22.05**
Accumulated amortisation / impairment				
Balance as at January 1, 2018	-	23.45	3.21	26.66
Amortisation charge for the year	-	8.85	1.66	10.51
Disposals	-	(0.70)	(0.40)	(1.10)
Transferred to discontinued operations	-	(20.72)	(1.07)	(21.79)
As at December 31, 2018	-	10.88	3.40	14.28
Amortisation charge for the year	**-**	**1.93**	**1.72**	**3.65**
Disposals	**-**	**(2.24)**	**(0.20)**	**(2.44)**
Assets held for sale	**-**	**(0.68)**	**(0.03)**	**(0.71)**
As at December 31, 2019	**-**	**9.89**	**4.89**	**14.78**
Net carrying value as at December 31, 2018	14.62	4.04	3.18	7.22
Net carrying value as at December 31, 2019	**14.62**	**2.72**	**4.55**	**7.27**

Note

(₹ in Crores)

	2019	2018
Breakup of Goodwill CGU wise		
Electrification Products	**14.62**	14.62
	14.62	14.62

Goodwill and CGU's impairment testing

The Company tests whether goodwill has suffered any impairment on an annual basis as at 31 December. The recoverable amount of a Cash Generating Unit ('CGU') is determined based on value-in-use calculations which require the use of assumptions. The calculations use pre-tax cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used is mentioned below.

	2019	2018
Growth rate	**5% - 6%**	5% - 6%
Operating margins	**6% - 13%**	6% - 13%
Discount rate	**9% - 10%**	9% - 10%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of operations and cash flows.

Based on the above assessment, there has been no impairment of goodwill.

5 Investments

(₹ in Crores)

	Non-current		Current	
	2019	2018	**2019**	2018
Investment in bonds and debentures				
Unquoted:-				
(Carried at amortised cost)				
10 5.95%, 15 years Non-cumulative bonds of Karnataka Water & Sanitation Pooled Fund Trust of ₹ **83,334** (December 31, 2018 - ₹ 1,66,667) each fully paid.	**-**	0.09	**0.08**	0.08
	-	0.09	**0.08**	0.08
Aggregate amount of Unquoted investments	**-**	0.09	**0.08**	0.08

6 Loans

(₹ in Crores)

	Non-current		Current	
	2019	2018	**2019**	2018
(Unsecured considered good, unless otherwise stated)				
Security deposits	**10.51**	10.42	**14.84**	11.59
Loans to related party	**-**	-	**347.62**	-
Loans to employees	**-**	-	**4.07**	4.25
	10.51	10.42	**366.53**	15.84

7 Other financial assets

(₹ in Crores)

	Non-current		Current	
	2019	2018	**2019**	2018
(Unsecured considered good)				
Non current bank balances	**9.76**	1.51	**-**	-
Interest accrued on fixed deposits	-	-	**2.29**	2.22
Deposits with customers	-	-	**10.11**	6.00
Contract revenue in excess of billing / unbilled revenue	-	-	**-**	217.38
Other receivables	-	-	**584.57**	30.29
Mark to market gain on forward contracts*	-	-	**10.44**	13.35
Mark to market gain on embedded derivatives*	-	-	**6.46**	12.67
	9.76	1.51	**613.87**	281.91

* At fair value through profit and loss

8 Income tax

(₹ in Crores)

	2019	2018
The major components of income tax expense for the years ended December 31,		
Statement of profit and loss:		
Profit or loss section (continuing and discontinued operations)		
Current income tax:		
Current income tax charge	**130.80**	282.05
Deferred tax	**11.45**	1.30
Income tax expense reported in the statement of profit and loss	**142.25**	283.35
Other comprehensive income		
Deferred tax related to items recognised in OCI during the year:	**1.28**	(1.04)
Income tax expense charged to OCI	**1.28**	(1.04)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Accounting profit before income tax (continuing and discontinued operations)	**445.65**	794.24
At India's statutory income tax rate of 27.61% (December 31, 2018 - 34.944%)	**123.04**	277.54
Adjustments in respect of current income tax:		
Non-deductible expenses for tax purposes	**5.13**	4.00
Other deductible expenses for the tax purpose	**1.53**	0.36
Other items:		
Impact of tax rate change	**(25.18)**	-
Others	**37.73**	1.45
At the effective income tax rate of 31.274% (December 31, 2018 - 35.676%)	**142.25**	283.35

Statutory income tax rate for the period January 1, 2019 to March 31, 2019 was 34.944% and for the period April 1, 2019 to December 31, 2019 is 25.176%. (Statutory income tax rate for the period January 1, 2018 to March 31, 2018 was 34.608% and for the period April 1, 2018 to December 31, 2018 was 34.944%.)

Deferred tax:	**Balance Sheet**	
Deferred tax relates to the following:	**2019**	2018
Property, plant and equipment	**(26.36)**	(125.15)
Other intangible assets	**(0.08)**	(13.19)
Provision for doubtful debts and advances	**94.84**	203.30
Expenditure debited to the statement of profit and loss but allowable for tax purpose in subsequent years	**41.94**	50.00
Net deferred tax assets/(liabilities)	**110.34**	114.96
Reflected in the balance sheet as follows:		
Deferred tax assets	**136.78**	253.30
Deferred tax liabilities	**(26.44)**	(138.34)
Deferred tax assets, net	**110.34**	114.96

9 Tax asset (net)

(₹ in Crores)

	Non-current		Current	
	2019	2018	**2019**	2018
Advance income-tax (net of provision for tax)	**174.42**	288.88	**112.34**	-
	174.42	288.88	**112.34**	-

10 Other non-current assets

(₹ in Crores)

	2019	2018
Capital advances	**17.44**	13.16
Advances recoverable in cash or kind (considered doubtful)	**4.66**	3.24
	4.66	3.24
Less: Provision for doubtful advances	**4.66**	3.24
	-	-
Taxes and duties recoverable	**177.58**	145.72
Prepaid rent	**1.42**	0.84
	196.44	159.72

11 Trade receivables

(₹ in Crores)

	Non-current		Current	
	2019	2018	**2019**	2018
Unsecured				
Considered good	**-**	-	**1,947.54**	1,686.89
Considered doubtful	**-**	-	**111.77**	167.21
Credit impaired	**250.31**	219.31	**-**	-
	250.31	219.31	**2,059.31**	1,854.10
Less:				
Loss allowance on doubtful trade receivable	**250.31**	219.31	**111.77**	167.21
	-	-	**1,947.54**	1,686.89

12 Cash and cash equivalents

(₹ in Crores)

	2019	2018
Balances with banks		
- On current accounts	**564.10**	147.23
- Deposit accounts (Original maturity upto 3 months)	**920.00**	1225.00
Cheques on hand / remittance in transit	**110.81**	100.16
Cash on hand	**-**	0.01
	1,594.91	1,472.40

13 Bank balances other than cash and cash equivalents

(₹ in Crores)

	2019	2018
Unpaid dividend	**2.66**	2.67
	2.66	2.67

14 **Inventories** (valued at lower of cost and net realisable value)

(₹ in Crores)

	2019	2018
Raw materials and components (including goods in transit of ₹ **62.51 Crores**, December, 31 2018 ₹ 131.79 Crores)	**536.12**	629.22
Work-in-progress	**187.37**	186.89
Finished goods	**103.66**	80.84
Traded goods	**33.10**	29.67
Stores and spares	**1.48**	1.23
	861.73	927.85

During the year ended **December 31, 2019 -** ₹ **22.51** (December 31, 2018 - ₹ 0.68 Crores) was recognized as an expense in relation to inventory obsolescence.

15 Others current assets

(₹ in Crores)

	2019	2018
Prepaid expenses	**23.39**	24.51
Contract assets (refer note 43)	**171.36**	-
Advances recoverable in cash or kind	**39.30**	31.46
Balance with government authorities	**133.88**	200.60
Taxes and duties recoverable	**89.87**	48.43
Other receivables	**18.16**	30.26
	475.96	335.26

16 Equity

Share capital	**2019**		2018	
	Equity shares		Equity shares	
	Numbers	**(₹ in Crores)**	Numbers	(₹ in Crores)
Authorised share capital				
At December 31, 2018	**21,25,00,000**	**42.50**	21,25,00,000	42.50
At December 31, 2019	**21,25,00,000**	**42.50**	21,25,00,000	42.50
	Preference shares		Preference shares	
	Numbers	**(₹ in Crores)**	Numbers	(₹ in Crores)
11% Redeemable 10 years, cumulative preference shares				
At December 31, 2018	**7,50,000**	**7.50**	7,50,000	7.50
At December 31, 2019	**7,50,000**	**7.50**	7,50,000	7.50
Issued equity share capital				
Equity shares of ₹ 2 each issued, subscribed and fully paid	**Numbers**	**(₹ in Crores)**	Numbers	(₹ in Crores)
At December 31, 2018	**21,19,08,375**	**42.38**	21,19,08,375	42.38
At December 31, 2019	**21,19,08,375**	**42.38**	21,19,08,375	42.38

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of directors have recommended dividend of ₹ **4.80** per equity share for the year ended December 31, 2019. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% of the shares in the Company

Name of the shareholders	**Numbers**	**% of holding**	Numbers	% of holding
ABB Asea Brown Boveri Limited - the holding company	**15,89,31,281**	**75.00%**	15,89,31,281	75.00%
Life Insurance Corporation of India	**95,50,569**	**4.51%**	1,21,19,807	5.72%

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownerships of shares.

Shares held by holding / ultimate holding company	**Numbers**	**₹ in Crores**	Numbers	₹ in Crores
ABB Asea Brown Boveri Limited - the holding company	**15,89,31,281**	**31.79**	15,89,31,281	31.79
	15,89,31,281	**31.79**	15,89,31,281	31.79

17 Other equity

(₹ in Crores)

		2019	2018
a)	**Securities premium**		
	Opening balance	**60.00**	60.00
	Less: Demerger adjustment (refer note 32)	**(16.72)**	-
	Closing balance	**43.28**	60.00
b)	**Surplus in the statement of profit and loss**		
	Opening balance	**798.11**	397.68
	Less: Demerger adjustment (refer note 32)	**(149.93)**	-
	Net profit for the year	**303.40**	510.89
	Other comprehensive income/ (loss) (net of tax)	**(3.82)**	1.95
	Less: Appropriations during the year		
	Equity dividend paid	**101.72**	93.24
	Tax on equity dividend paid	**20.91**	19.17
	Balance as at December 31,	**122.63**	112.41
	Change in accounting policy of retention discounting	**15.01**	-
	Deferred tax	**(5.24)**	-
	Net impact of change in accounting policy of retention discounting	**9.77**	-
	Closing balance	**834.90**	798.11
c)	**Employee stock options reserve**		
	Opening balance	**0.07**	0.07
	Add: Employee compensation expense for the year	**-**	-
	Closing balance	**0.07**	0.07
d)	**Debenture redemption reserve**		
	Opening balance	**-**	150.00
	Less: Transferred during the year	**-**	(150.00)
	Closing balance	**-**	-
e)	**Capital reserve**		
	Opening balance	**1.10**	1.10
	Less: Demerger adjustment (refer note 32)	**(0.18)**	
	Closing balance	**0.92**	1.10
f)	**Capital redemption reserve**		
	Opening balance	**7.50**	7.50
	Closing balance	**7.50**	7.50
g)	**General reserve**		
	Opening balance	**3,098.16**	3,098.16
	Less: Demerger adjustment (refer note 32)	**(507.10)**	-
	Closing balance	**2,591.06**	3,098.16
	Total other equity	**3,477.73**	3,964.94

Nature and purpose of other reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

b) Employee stock option reserve

The share options outstanding account is used to recognise the grant date fair value of the options issued to employees under Employee Share Acquisition Plan schemes.

c) Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

d) Capital reserve

Capital reserve pertains to acquisitions in the earlier years.

e) Capital Redemption reserve

The Company had transferred to Capital Redemption reserve, a sum equal to the nominal amount of preference shares to be redeemed out of the profits available for distribution as dividend.

f) General Reserve

General reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be subsequently reclassified to statement of profit and loss.

18 Borrowings

(₹ in Crores)

	Non-current	
	2019	2018
(At amortized cost)		
Secured:		
Finance lease obligations	**7.06**	2.03
	7.06	2.03

19 Other financial liabilities

(₹ in Crores)

	Non-current		Current	
	2019	2018	**2019**	2018
Security deposits received	**3.56**	3.49	**0.04**	0.04
Unpaid dividends	**-**	-	**2.66**	2.67
Payable towards purchase of fixed assets	**-**	-	**61.16**	39.86
Employee related payables	**-**	-	**78.93**	75.16
Mark to market loss on embedded derivatives*	**-**	-	**10.71**	9.90
Mark to market loss on forward contracts*	**-**	-	**12.42**	23.59
Current maturities of finance lease liabilities	**-**	-	**6.48**	4.89
Other payables	**-**	-	**1,043.61**	247.27
	3.56	3.49	**1,216.01**	403.38

* At fair value through profit and loss

20 Provisions

(₹ in Crores)

	Non-current		Current	
	2019	2018	**2019**	2018
Provisions for employee benefits				
Gratuity	**-**	-	**4.76**	4.08
Provident fund	**-**	-	**0.32**	-
Leave benefits	**-**	-	**32.52**	25.75
Other provisions				
Warranties	**-**	-	**93.00**	86.40
Loss orders	**-**	-	**23.57**	17.33
Litigations	**-**	-	**0.57**	0.57
Sales tax	**44.97**	32.29	**56.20**	23.72
Provision for income tax (net)	**-**	-	**30.56**	75.53
	44.97	32.29	**241.50**	233.38

Nature of provisions:

i) Warranties: The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at December 31, 2019 represents the amount of the expected cost based on technical evaluation and past experience of meeting such obligations. It is expected that this expenditure will be incurred over the contractual warranty period.

ii) Loss orders: A provision for expected loss on construction contracts is recognised when it is probable that the contract costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

iii) Provision for litigation represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters in litigation. The outflow would depend on the cessation of the respective events.

iv) Provision for sales tax represents mainly the differential sales tax liability on account of non – collection of declaration forms. The outflow would depend on the cessation of the respective events.

Movement in provisions: (Figures in brackets are in respect of the previous year)

(₹ in Crores)

Class of provisions	As at January 1, 2019	Additions	Amounts used	Unused Amounts reversed	Provisions pertaining to discontinued operations / Assets held for sale	As at December 31, 2019
Warranties	**86.40**	**93.19**	**26.13**	**20.17**	**40.29**	**93.00**
	(149.29)	(132.19)	(62.55)	(51.08)	(81.45)	(86.40)
Loss orders	**17.33**	**10.14**	**3.90**	**-**	**-**	**23.57**
	(37.32)	(10.59)	(3.73)	-	(26.85)	(17.33)
Litigations	**0.57**	**-**	**-**	**-**	**-**	**0.57**
	(1.09)	-	-	(0.52)		(0.57)
Sales tax	**56.01**	**44.45**		**(3.01)**	**2.30**	**101.17**
	(103.01)	(3.14)	(0.02)	(16.82)	(33.30)	(56.01)

21 Trade Payables

(₹ in Crores)

		2019	2018
	Dues to micro and small enterprises	**24.71**	123.80
		24.71	123.80
	Dues to creditors other than micro and small enterprises		
	Acceptances	**438.44**	431.87
	Other trade payables	**1,438.45**	1,318.84
		1,876.89	1,750.71
		1,901.60	1,874.51
	The Company has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at **December 31, 2019**.		
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at **December 31, 2019**		
	Principal amount	**17.98**	179.70
	Interest	**2.48**	1.39
(ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending **December 31, 2019**		
	Principal amount	**-**	-
	Interest	**4.19**	4.13
(iii)	The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	**4.28**	3.65
(iv)	The amount of interest accrued and remaining unpaid for the year ended **December 31, 2019**	**6.76**	5.04
(v)	The amount of further interest remaining due and payable for the earlier years.	**1.55**	1.55
(vi)	**The amount (including interest) due as at December 31, 2019**	**24.74**	184.74

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

22 Other current liabilities

(₹ in Crores)

	2019	2018
Billing in excess of contract revenue	**182.40**	133.40
Statutory dues payable	**32.08**	18.37
Advance from customer	**244.94**	230.78
Deferred revenue	**-**	1.65
Other payables	**34.96**	13.56
	494.38	397.76

23 Revenue from operations (net)

(₹ in Crores)

	2019	2018
Sale of products and services		
Sale of products	**6,808.88**	6,242.91
Sale of services	**420.12**	370.45
	7,229.00	6,613.36
Other operating revenues		
Scrap sales	**21.55**	13.01
Commission income	**1.62**	2.38
Income from development services	**35.78**	29.81
Miscellaneous income	**27.11**	31.56
	86.06	76.76
Revenue from operations (net)	**7,315.06**	6,690.12
Detail of sale of products and services		
(i) Sale of products		
Switchgear of all types	**2,260.33**	1,960.28
Electronic control and supply units for variable speed drives and other applications	**1,747.87**	1,645.46
Motors and other machines	**1,386.17**	946.59
Others	**1,414.51**	1,690.58
	6,808.88	6,242.91
(ii) Sale of services		
Erection, commissioning and other engineering services	**420.12**	370.45
	420.12	370.45
	7,229.00	6,613.36
The above includes revenue from construction contracts (including discontinued operations related) (refer note 43)	**-**	2,814.78

24 Other income

(₹ in Crores)

	2019	2018
Finance income		
Interest income:		
Interest on security deposit	**0.41**	0.83
Interest on retention	**-**	3.38
Interest from deposits with bank	**53.43**	42.73
Interest from long-term investments	**0.01**	0.01
Interest from related party	**12.23**	-
	66.08	46.95
Other income		
Mark to market fair value change in investment	**-**	12.22
Interest income - on tax refunds etc.	**12.28**	0.33
Income from sale of revenue contracts	**-**	10.50
Profit on sale of business	**-**	14.01
Profit on sale of fixed assets (net)	**7.64**	-
Other non operating revenue	**8.31**	-
	28.23	37.06
	94.31	84.01

(₹ in Crores)

	2019	2018
25 Cost of materials consumed		
Raw material and components consumed		
Inventory at the beginning of the year	**629.22**	468.74
Add : Purchases during the year	**4,101.87**	3,916.10
Less : Inventory at the end of the year	**536.12**	629.22
Cost of raw materials consumed	**4,194.97**	3,755.62
26 Purchases of traded goods		
Motors and other machines	**29.11**	113.34
Switchgears	**6.30**	6.40
Power invertors	**24.12**	2.17
Others	**411.49**	460.20
	471.02	582.11
27 Changes in inventories of finished goods, traded goods and work-in-progress		
Opening stock		
- Finished goods	**80.84**	56.66
- Work-in-progress	**186.89**	163.07
- Traded goods	**29.67**	27.29
	297.40	247.02
Closing stock		
- Finished goods	**103.66**	80.84
- Work-in-progress	**187.37**	186.89
- Traded goods	**33.10**	29.67
	324.13	297.40
	(26.73)	(50.38)
28 Employee benefit expenses		
Salaries, wages and bonus	**496.71**	454.69
Gratuity	**5.22**	1.43
Provident fund	**15.71**	9.56
Contribution to superannuation and other funds	**15.74**	15.85
Staff welfare expenses	**35.19**	37.96
Training, recruitment and transfer expenses	**11.05**	10.01
	579.62	529.50
29 Depreciation and amortisation expense		
Depreciation of tangible assets	**86.75**	88.65
Amortisation of intangible assets	**3.65**	4.11
	90.40	92.76
30 Finance costs		
Interest expenses	**9.72**	41.44
Bill discounting and other charges	**11.03**	11.14
Interest expense on provisions measured at amortised cost	**0.61**	1.32
	21.36	53.90

31 Other expenses

(₹ in Crores)

	2019	2018
Consumption of stores and spares	**12.90**	12.56
Packing expenses	**23.24**	24.79
Royalty and technology fees	**214.46**	174.51
Freight and forwarding	**108.29**	99.14
Postage and telephone	**4.52**	3.87
Commission (other than sole selling agent)	**2.73**	5.34
Power and fuel	**22.44**	21.87
Travelling and conveyance	**86.42**	86.98
Insurance	**13.46**	10.21
Rates and taxes (net)	**20.87**	(13.94)
Rent	**31.37**	33.42
Repairs :		
Buildings	**5.31**	6.31
Plant and machineries	**19.30**	17.89
Others	**4.13**	3.97
Provision for doubtful debts and advances (net)	**(28.89)**	24.34
Bad debts / advances written off	**48.87**	68.68
Loss on sale of fixed assets (net)	**-**	2.12
Printing and stationery	**3.90**	3.44
Bank charges	**6.83**	6.32
Corporate social responsibility expenditure	**12.45**	10.74
Legal and professional	**55.42**	56.35
Auditor's remuneration	**1.98**	2.49
Trade-mark fees	**80.74**	68.22
Information technology expenses	**207.89**	193.44
Exchange and commodity rate difference (net)	**42.12**	44.11
Director's fees and commission	**1.29**	0.98
Services from third parties	**115.14**	80.89
Testing and inspection charges	**8.21**	10.58
Seminar and publicity expenses	**13.39**	14.79
Group management fees	**85.90**	87.34
Network cost	**26.57**	26.12
Warranty	**49.00**	4.33
Miscellaneous (net)	**42.90**	(3.02)
	1,343.15	1,189.18
Auditor's remuneration (excluding goods and service tax)*		
As auditor:		
Audit fee	**0.70**	0.70
Tax audit fee	**0.30**	0.30
Limited review	**0.60**	0.60
In other capacity:		
Group reporting fees	**0.13**	0.20
Certification, etc	**0.10**	0.40
Reimbursement of expenses	**0.15**	0.29
	1.98	2.49
Details of corporate social responsibility expenditure		
Gross amount required to be spent during the year	**12.45**	10.74
Amount spent during the year		
Construction/acquisition of any asset	**3.89**	3.73
On purposes other than above	**8.56**	7.01
	12.45	10.74

32 Discontinued operations

The Board at its meeting held on February 13, 2019 granted in-principle approval for the segregation of the Company's Power Grids business from the other businesses of the Company. Consequently, pursuant to the requirements of Ind AS 105 – Non Current Assets held for Sale and Discontinued Operations, the Company classified the assets and liabilities as at December 31, 2018 pertaining to the Power Grids Business as Assets / Liabilities held for sale and measured the same at lower of cost and fair value (fair value less costs to sell). The Financial results of Power Grids business was presented as discontinued operations in the year ended December 31, 2018.

On March 5, 2019, the Board of Directors of Company approved the Scheme of Arrangement amongst the Company and ABB Power Products and Systems India Limited (APPSIL) for Demerger of Company's Power Grids business to APPSIL ("Demerger") and the Appointed date for the Demerger is April 1, 2019. The Demerger is approved by National Company Law Tribunal ('NCLT') and the NCLT approval has been filed with the Registrar of Companies on December 1, 2019 (Effective date).

Further, as the scheme became effective on December 1, 2019 with the appointed date of April 1, 2019, the profit of Power Grids business for the period January 1, 2019 to March 31, 2019 and costs relating to demerger comprising stamp duty (accrued on estimate basis) and other expenses is presented as discontinued operations in the statement of profit and loss. The whole of the assets and liabilities of the transferred business became the assets and liabilities of the resulting company and were transferred at their book value as per the Order, as appearing in the books of the Company with effect from the appointed date (i.e. 1 April 2019). The details of assets, liabilities and reserves transferred to the resulting company are as under:

The financial performance and cash flows for Power Grids business:

		2019	2018
a)	**Analysis of profit from discontinued operations**		
	Income		
	Revenue from operations	**894.84**	4,171.77
	Other income	**(0.02)**	13.21
	Total income	**894.82**	4,184.98
	Expenses		
	Cost of raw materials, components consumed and project bought outs	**476.21**	2,383.73
	Purchases of traded goods	**0.49**	1.25
	(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	**(11.34)**	(33.99)
	Subcontracting charges	**78.29**	320.18
	Employee benefit expenses	**86.67**	299.78
	Depreciation and amortisation expense	**13.59**	53.02
	Finance costs	**7.76**	22.79
	Other expenses#	**241.50**	739.12
	Total expenses	**893.17**	3,785.88
	Profit before tax	**1.65**	399.10
	Tax expense:	**0.48**	142.40
	Profit after tax	**1.17**	256.70
	# includes demerger related expenses ₹ 40.77 Crores (December 31, 2018 - Nil).		
b)	**Net cash flows attributable to the discontinued operations**		
	Net cash (outflows) / inflows from operating activities	**82.63**	456.06
	Net cash (used in) investing activities	**(37.17)**	(58.87)
	Net cash (outflows) / inflows from financing activities	**(7.76)**	(446.28)
	Net cash outflows	**37.70**	(49.09)

c) Book value of assets and liabilities of discontinued operations		
Property, plant and equipment and intangible assets (including CWIP)	**605.40**	435.70
Non-current financial assets	**6.09**	6.09
Other non-current assets	**7.20**	39.85
Inventories	**469.58**	419.36
Trade receivables	**1,407.44**	1,399.95
Cash and cash equivalents	**-**	(6.46)
Current financial assets	**273.01**	379.38
Other current assets	**63.40**	128.35
Total assets (A)	**2,832.12**	2,802.22
Deferred tax liabilities (net)	**10.95**	-
Non-current financial liabilities - provisions	**101.24**	9.76
Trade payables	**1,071.63**	1,180.58
Other financial liabilities	**223.30**	202.69
Other current liabilities	**608.10**	580.73
Current liabilities - provisions	**142.97**	148.98
Total liabilities (B)	**2,158.19**	2,122.74
Net Assets (A - B)	**673.93**	679.48
Reserves transferred as per the Scheme	**667.01**	-
Note: As per the demerger scheme, net assets transferred in excess of reserves is debited to securities premium.		

33 Earning per share (EPS)

(₹ in Crores)

	2019	2018
The following reflects the income and share data used in the basic and diluted EPS computations		
a) Profit after tax		
From continuing operations	**302.23**	254.19
From discontinued operations	**1.17**	256.70
b) Profit attributable to equity shareholders	**303.40**	510.89
c) Weighted average number of Equity Shares outstanding during the year	**21,19,08,375**	21,19,08,375
d) Nominal value of shares (in ₹)	**2.00**	2.00
e) Earnings per share- Basic and diluted (in ₹)		
From continuing operations **(in ₹)**	**14.26**	12.00
From discontinued operations **(in ₹)**	**0.06**	12.11
From continuing and discontinued operations **(in ₹)**	**14.32**	24.11

34 Gratuity and other post-employment benefit plans

The Company has defined benefit gratuity plan and provident fund plan managed by trusts.

Gratuity Plan :

Gratuity is payable to all eligible employees of the Company as per the provisions of the Payment of Gratuity Act, 1972 or as per the Company's scheme, whichever is higher.

Provident Fund Plan :

The Company manages provident fund plan through a provident fund trust for its employees which is permitted under the Provident Fund and Miscellaneous Provisions Act, 1952. The Contribution by employee and employer together with interest are payable at the time of separation from service or retirement whichever is earlier.

Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

(₹ in Crores)

		2019	2018
A	**Gratuity**		
	The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:		
	Gratuity provision	**4.76**	6.80
	Total	**4.76**	6.80

(₹ in Crores)

		Defined benefit obligation	Fair value of plan assets	Benefit liability
i	**Changes in the defined benefit obligation and fair value of plan assets as at December 31, 2019:**			
	Gratuity cost charged to profit or loss:			
	As at January 1, 2018	134.12	133.51	0.61
	Service cost	11.41	-	11.41
	Net interest expense/income	9.40	9.36	0.04
	Total amount recognised in statement of profit and loss (Note 28 and 32)	20.81	9.36	11.45
	Acquisitions(credit)/cost	(2.27)	-	(2.27)
	Remeasurement (gains)/losses in other comprehensive income:			
	Return on plan assets (excluding amounts included in net interest expense)	-	0.94	(0.94)
	Actuarial changes arising from changes in financial assumptions	0.07	-	0.07
	Experience adjustments	(2.12)	-	(2.12)
	Total amount recognised in other comprehensive income	(2.05)	0.94	(2.99)
	Benefits paid	(14.14)	(14.14)	-
	As at December 31, 2018	136.47	129.67	6.80
	Service cost	**8.56**	**-**	**8.56**
	Net interest expense	**6.95**	**7.61**	**(0.66)**
	Total amount recognised in statement of profit and loss (Note 28 and 32)	**15.51**	**7.61**	**7.90**
	Demerger adjustment#	**(61.81)**	**(55.32)**	**(6.49)**
	Remeasurement (gains)/losses in other comprehensive income:			
	Return on plan assets (excluding amounts included in net interest expense)	**-**	**(3.93)**	**3.93**
	Actuarial changes arising from changes in financial assumptions	**2.81**	**-**	**2.81**
	Experience adjustments	**(1.64)**	**-**	**(1.64)**
	Total amount recognised in other comprehensive income	**1.17**	**(3.93)**	**5.10**
	Contributions by employer	**-**	**8.55**	**(8.55)**
	Benefits paid	**(3.69)**	**(3.69)**	**-**
	As at December 31, 2019	**87.65**	**82.89**	**4.76**

#Pursuant to demerger, plan assets have been transferred in the ratio of liability.

(₹ in Crores)

		2019	2018
ii	**Amount recognized in balance sheet (including discontinued operations related)**		
	Present value of funded obligations	**87.65**	136.47
	Fair value of plan assets	**82.89**	129.67
	Net funded obligation	**(4.76)**	(6.80)
	Net defined benefit (liability) / asset recognised in balance sheet	**(4.76)**	(6.80)
iii	**Expense recognised in profit or loss (includes discontinued operations related)**		
	Current Service Cost	**8.56**	11.41
	Interest Cost	**(0.66)**	0.04
		7.90	11.45
iv	**Remeasurements recognised in other comprehensive income**		
	Actuarial (gain)/loss on defined benefit obligation	**1.17**	(2.05)
	Return on plan assets excluding interest income	**3.93**	(0.94)
		5.10	(2.99)
v	**The major categories of plan assets of the fair value of the total plan assets are as follows:**		
	Investments quoted in active markets		
	Government of India Securities (Central and State)	**8.28%**	12.00%
	PSU securities	**6.45%**	8.20%
	Special deposit scheme / Funds with LIC	**67.78%**	74.00%
	Others (including bank balances)	**17.49%**	5.80%
	Total	**100.00%**	100.00%
vi	**The principal assumptions used in determining gratuity obligations are shown below:**		
	Discount rate	**6.90%**	7.30%
	Future salary increases	**7.75%**	7.75%
vii	**The following payments are expected contributions to the defined benefit plan in future years**		
	Within the next 12 months (next annual reporting period)	**5.43**	9.55
	Between 2 and 5 years	**37.13**	63.64
	Beyond 5 years	**63.78**	96.68
	Total expected payments	**106.34**	169.87
	The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years.		

(₹ in Crores)

		December 31, 2019		December 31, 2018	
		Discount rate	**Future salary increases**	Discount rate	Future salary increases
viii	**A quantitative sensitivity analysis for significant assumption as at December 31, 2019 is as shown below:**				
	Assumptions				
	Sensitivity analysis				
	1% increase	**(6.74)**	**7.64**	(9.88)	11.21
	1% decrease	**7.78**	**(6.76)**	11.36	(9.93)
	Impact on defined benefit obligation				
	The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.				

B Provident fund

(₹ in Crores)

		Defined benefit obligation	Fair value of plan assets	Benefit liability
i	**Changes in the defined benefit obligation and fair value of plan assets**			
	As at January 1, 2018	561.47	559.12	2.35
	Current service cost	96.55	-	96.55
	Interest expense	50.89	50.71	0.18
	Return on plan assets	-	(13.85)	13.85
	Contributions	-	93.35	(93.35)
	Benefit payments	(53.03)	(53.03)	-
	Actuarial (gain)/loss	(20.95)	-	(20.95)
	As at December 31, 2018	634.93	636.30	(1.37)
	Current service cost	**60.73**	**-**	**60.73**
	Demerger adjustment#	**(208.18)**	**(204.63)**	**(3.55)**
	Interest expense/income	**38.61**	**38.17**	**0.44**
	Return on plan assets	**-**	**(13.54)**	**13.54**
	Contributions	**-**	**59.15**	**(59.15)**
	Benefit payments	**(33.89)**	**(33.89)**	**-**
	Actuarial (gain)/loss	**(10.32)**	**-**	**(10.32)**
	As at December 31, 2019	**481.88**	**481.56**	**0.32**
	#Pursuant to demerger, plan assets have been transferred in the ratio of liability.			

(₹ in Crores)

		2019	2018
ii	**Amount recognized in balance sheet**		
	Present value of funded obligations	**481.88**	634.93
	Fair value of plan assets	**481.56**	636.30
	Net funded obligation	**(0.32)**	1.37
	Net defined benefit (liability) / asset recognised in balance sheet	**(0.32)**	-
iii	**The principal assumptions are shown below:**		
	Discount rate	**6.90%**	7.30%
	Expected return on EPFO	**8.65%**	8.55%
iv	**A quantitative sensitivity analysis for significant assumption as at December 31, 2019 is as shown below:**		
	0.5% increase in discount rate	**(10.05)**	(13.41)
	0.5% decrease in discount rate	**17.19**	23.72
	The sensitivity results above determine their individual impact on the plan's end of year defined benefit obligation. In reality, the plan is subject to multiple external experience items which may move the defined benefit obligation in similar or opposite direction, while the plan's sensitivity to such changes can vary over time. Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach.		
v	**The major categories of plan assets of the fair value of the total plan assets are as follows:**		
	Investments quoted in active markets		
	Government of India Securities (Central and State)	**52.14%**	51.14%
	PSU securities	**34.20%**	35.99%
	Others (including bank balances)	**13.66%**	12.87%
	Total	**100.00%**	100.00%
vi	The company contributed ₹ **21.20** Crores towards employer's contribution for provident fund during the year December 2019.		
vii	The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.		

35 Fair value hierarchy

The Company's assets and liabilities which are measured at amortised cost for which fair value are disclosed at December 31, 2019.

(i) Fair value hierarchy

(₹ in Crores)

Particulars	2019	2018
Financial Assets at amortised cost		
Investments (refer note 5)	**0.08**	0.17
Loans (refer note 6)	**377.04**	26.26
Trade and other receivables (refer note 11)	**1,947.54**	1,686.89
Cash and cash equivalents (refer note 12)	**1,594.91**	1,472.40
Other financial assets (refer note 7)	**606.73**	257.40
Financial assets at fair value through profit and loss :		
Derivative instruments (refer note 7)	**16.90**	26.02
Total financial assets	**4,543.20**	3,469.14
Financial liabilities at amortised cost		
Borrowing (refer note 18)	**7.06**	2.03
Trade payables (refer note 21)	**1,901.60**	1,874.51
Other financial liability (refer note 19)	**1,196.44**	373.38
Financial assets at fair value through profit and loss :		
Derivative instruments (refer note 19)	**23.13**	33.49
Total financial liabilities	**3,128.23**	2,283.41

(₹ in Crores)

Particulars	Amount	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss :				
Derivative instruments (refer note 7) - As at December 31, 2019	**16.90**	**-**	**16.90**	**-**
Derivative instruments (refer note 7) - As at December 31, 2018	26.02	-	26.02	-
Financial liabilities at fair value through profit and loss :				
Derivative instruments (refer note 19) - As at December 31, 2019	**23.13**	**-**	**23.13**	**-**
Derivative instruments (refer note 19) - As at December 31, 2018	33.49	-	33.49	-

Valuation techniques and significant unobservable inputs

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

There were no transfers between Level 1, Level 2 and Level 3 during the year

The carrying value of trade receivables, loans, trade payables, other financial assets and liabilities and cash and cash equivalents are considered to be the same as there fair value, due to there short term in nature.

The fair value of financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Company enters into derivative financial instruments with banks/ financial institutions. Foreign currency forward contracts are valued using valuation techniques which employs the use of market observable inputs using present value calculations. The model incorporates various inputs including the deal specific fundamental, market conditions, maturity period, transaction size, comparable trades, foreign currency spot and forward rates.

36 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, liquidity risk and credit risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade payables, deposits and investments.

Commodity contracts

The Company uses commodity future contracts to hedge risk against fluctuation in commodity prices. The following are outstanding future contracts entered into by the Company as on December 31, 2019.

Year	Commodity	Number of contracts	Contractual quantity	Buy /Sell
As at December 2019	**Copper**	**121**	**2,466 MTs**	**Buy**
As at December 2019	**Silver**	**53**	**96,635 Ounce**	**Buy**
As at December 2018	Copper	116	2,804 MTs	Buy
As at December 2018	Silver	31	95,289 Ounce	Buy
As at December 2018	Aluminum	5	44 MTs	Buy

includes discontinued operations related.

ii. Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the CHF. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not Company's functional currency (INR).

(a) Unhedged in foreign currency exposure

(₹ in Crores)

Currency	EUR	NPR	BDT	BTN	SEK	CHF	LKR	Others
Trade Receivables								
As at December 31, 2019	**-**	**3.86**	**0.82**	**1.75**	**-**	**16.75**	**-**	**1.08**
1% increase	**-**	**0.04**	**0.01**	**0.02**	**-**	**0.17**	**-**	**0.01**
1% decrease	**-**	**(0.04)**	**(0.01)**	**(0.02)**	**-**	**(0.17)**	**-**	**(0.01)**
As at December 31, 2018	-	-	12.45	26.63	-	15.87	-	5.05
1% increase	-	-	0.12	0.27	-	0.16	-	0.05
1% decrease	-	-	(0.12)	(0.27)	-	(0.16)	-	(0.05)
Trade payables								
As at December 31, 2019	**28.73**	**2.90**	**1.47**	**-**	**-**	**80.04**	**1.86**	**7.01**
1% increase	**0.29**	**0.03**	**0.01**	**-**	**-**	**0.80**	**0.02**	**0.07**
1% decrease	**(0.29)**	**(0.03)**	**(0.01)**	**-**	**-**	**(0.80)**	**(0.02)**	**(0.07)**
As at December 31, 2018	99.14	-	11.18	2.69	0.22	-	-	19.88
1% increase	0.99	-	0.11	0.03	0.00	-	-	0.20
1% decrease	(0.99)	-	(0.11)	(0.03)	(0.00)	-	-	(0.20)
Cash and cash equivalents								
As at December 31, 2019	**-**	**0.73**	**10.19**	**33.25**	**-**	**-**	**8.77**	**-**
1% increase	**-**	**0.01**	**0.10**	**0.33**	**-**	**-**	**0.09**	**-**
1% decrease	**-**	**(0.01)**	**(0.10)**	**(0.33)**	**-**	**-**	**(0.09)**	**-**
As at December 31, 2018	-	0.55	13.15	2.25	-	-	2.00	-
1% increase	-	0.01	0.13	0.02	-	-	0.02	-
1% decrease	-	(0.01)	(0.13)	(0.02)	-	-	(0.02)	-

Includes discontinued operations related.

The above sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the Indian rupee computed from historical data and is representative of the foreign exchange currency risk inherent in financial assets and financial liabilities reported at the reporting date.

(b) Fair value of derivative

(₹ in Crores)

	2019	2018
(a) Forward contract for export debtors outstanding	**6.56**	49.89
(b) Forward contract for import creditors outstanding	**(12.42)**	(53.13)
(c) Forward cover for expected future sales / purchases	**3.88**	(6.88)

Includes discontinued operations related.

(c) Forward contracts outstanding as of December 31, 2019

Currency	**2019**			2018		
	Number of Contracts	**Amount in Foreign Currency Crores**	**(₹ in Crores)**	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)
Exports						
CHF	**18**	**0.18**	**13.27**	18	0.39	30.37
EUR	**143**	**1.16**	**93.81**	154	1.81	156.11
SEK	**3**	**4.89**	**37.31**	6	24.55	214.13
USD	**275**	**6.30**	**455.85**	386	10.47	754.55
Others	**21**	**20.10**	**25.32**	13	13.87	12.69
			625.56			1,167.85

Currency	2019			2018		
	Number of Contracts	**Amount in Foreign Currency Crores**	**(₹ in Crores)**	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)
Imports						
CHF	**50**	**1.48**	**111.56**	75	1.91	143.01
EUR	**664**	**5.16**	**425.82**	484	4.29	366.40
SEK	**7**	**6.31**	**50.16**	112	32.83	278.53
USD	**834**	**4.51**	**326.04**	464	6.43	457.11
Others	**88**	**8.67**	**48.37**	60	6.56	65.90
			961.95			1,310.95

Includes discontinued operations related.

iii Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Trade receivables

Trade receivables consists of a large number of customers spread across diverse industries.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach,the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At year end, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the statement of profit and loss within other expenses.

Specific allowance for loss is also been provided by the management based on expected recovery on individual customers.

The provision provided in books for trade receivables overdue:

Reconciliation of loss allowance

		(₹ in Crores)
	2019	2018
Opening balance	**578.26**	588.33
Add: Additional ECL provision/(reversal)	**(41.54)**	(10.60)
Add: Additional provision/(reversal)	**84.83**	106.21
Less: Transferred on Demerger	**191.61**	-
Less: Utilisation/reversals	**62.25**	105.68
Closing balance	**367.69**	578.26

Includes discontinued operations related.

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

(ii) Other than trade receivables

Management belives that the parties from which the receivables are due have strong capacity to meet the obligations and risk of default is negligible or nil and accordingly no provision for expected credit loss has been provided for.

iv. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and debentures. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in Crores)

	2019				2018			
	On demand	**Less than 1 year**	**More than 1 year**	**Total**	On demand	Less than 1 year	More than 1 year	Total
Year ended								
December 31, 2019								
Borrowings	**-**	**-**	**7.06**	**7.06**	-	-	2.03	2.03
Other financial liabilities	**-**	**1,192.88**	**3.56**	**1,196.44**	-	369.89	3.49	373.38
Trade payables	**-**	**1,901.60**	**-**	**1,901.60**	-	1,874.51	-	1,874.51
Total non-derivative liabilities	**-**	**3,094.48**	**10.62**	**3,105.10**	-	2,244.40	5.52	2,249.92

37 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in Crores)

	2019	2018
Borrowings	**7.06**	2.03
Trade payables	**1,901.60**	1,874.51
Other financial liabilities	**1,219.57**	406.87
Less: cash and cash equivalents	**(1,594.91)**	(1,472.40)
Net debts	**1,533.32**	811.01
Total equity	**3,520.11**	4,007.32
Capital and net debt	**5,053.43**	4,818.33
Gearing ratio	**30.34%**	16.83%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2019.

38 Share based payments

The employees of the Company are entitled to the shares of ABB Limited, Zurich (Ultimate holding company) under an equity settled share based plan. The share based payments expense accounted during the year is not material and hence the required disclosures has not been provided.

39 Contingent liabilities and contingent assets

(₹ in Crores)

	2019	2018
Contingent liabilities (Claims against the Company not acknowledged as debts)		
Excise duty /service tax and sales tax liabilities dispute	**469.77**	487.11
Custom duty liabilities in dispute	**20.05**	18.65
Income tax matters in dispute	**14.35**	13.24
Other matters	**244.13**	225.27
	748.30	744.27

includes discontinued operations related.

The Company does not have any contingent assets at the balance sheet date.

The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/courts. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position.

In respect of the above contingent liabilities, the future cash outflows are determinable only on receipt of judgement pending at various forums / authorities.

40 Commitments

(₹ in Crores)

	2019	2018
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on account of capital commitments and not provided for (net of advances)	**134.18**	145.10

includes discontinued operations related.

(b) Non-cancellable operating leases

The Company has taken several premises and vehicles under cancellable and non-cancellable operating leases. These lease agreements are normally for one to ten years and have option of renewal on expiry of lease period based on mutual agreement.

Rental expenses towards cancellable and non-cancellable operating lease charged to the statement of profit and loss amounts to ₹ **34.10 crores** (December 31, 2018 ₹ 43.11 crores)

Some of the lease agreements have escalation clause ranging from 5% to 15%. There are no exceptional / restrictive covenants in the lease agreement. There are no assets given on operating lease.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Within one year	**15.28**	14.68
Later than one year but not later than five years	**40.21**	31.32
Later than five years	**7.34**	-
	62.83	46.00

includes discontinued operations related.

(c) Finance lease

The Company has finance lease contracts for certain items of plant and machinery. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are, as follows: (Figures in brackets are in respect of the previous year)

	2019	
	Minimum lease payments	PV of minimum lease payments
Within one year	**7.90**	**6.48**
	(5.88)	(4.89)
After one year but not More than five years	**8.61**	**7.06**
	(2.39)	(2.03)
More than five years	**-**	**-**
	(-)	(-)
Total minimum lease payments	**16.51**	**13.54**
	(8.27)	(6.92)
Less: Amount representing finance charges	**2.97**	
	(1.35)	
Present value of minimum lease payments	**13.54**	
	(6.92)	

includes discontinued operations related.

41 Segment disclosures

41(a) Segment information

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. For management purposes, CODM organises the company into business units based on its products and services and has five reportable segments, as follows

i) Composition of business segments

The Company's business segments are organized around products and system solutions provided to its customers, which include utilities, industries, channel partners and original equipment manufacturers.

Motion segment (MO) provides products, solutions and related services that increase industrial productivity and energy efficiency. Its motors, generators and drives provide power, motion and control for a wide range of automation applications.

Robotics and Discrete Automation segment (RA) provides value-added solutions in robotics, machine and factory automation.

Electrification segment (EL) provides technology across the full electrical value chain from substation to the point of consumption, enabling safer and more reliable power. A range of digital and connected innovations for low- and medium-voltage, including EV infrastructure, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control.

Industrial Automation segment (IA) provides products, systems and services designed to optimize the productivity of industrial processes. Solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products. The industries served include oil and gas, power, chemicals and pharmaceuticals, pulp and paper, metals and minerals, marine and turbocharging.

Power Grids segment (PG) offers power and automation products, systems, service and software solutions across the generation, transmission and distribution value chain. Its portfolio includes grid integration, transmission, distribution and automation solutions and a complete range of high voltage products and transformers.

ii) The accounting policies used in the preparation of the financial statements of the Company are also applied for segment reporting.

iii) Segment revenues, expenses, assets and liabilities are those, which are directly attributable to the segment or are allocated on an appropriate basis. Corporate and other revenues, expenses, assets and liabilities to the extent not allocable to segments are disclosed in the reconciliation of reportable segments with the financial statements.

iv) Inter segment transfer pricing

Inter segment prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimization objective for the Company.

v) Power Grids segment (PG) is considered as discontinued operation and held for sale. Information about the demerger is provided in Note. 32

vi) During the year, the Company has rearranged its business portfolio into five segments. Erstwhile Robotics and Motion segment is split into two segments namely (i) Robotics & Discrete Automation and (ii) Motion. Electrification Products segment has been renamed as Electrification. The segment information for the previous year has been restated.

vii) Segment Information

(Figures in brackets are in respect of the previous year)

(₹ in Crores)

Composition of business segments	Power Grids (Discontinued)	Robotics and Discrete Automation	Motion	Electrification Products	Industrial Automation	Total
External sales	**889.98**	**269.45**	**2,472.82**	**2,843.58**	**1,527.08**	**8,002.91**
	(4,117.03)	(251.30)	(2,108.35)	(2,459.50)	(1,487.46)	(10,423.64)
Inter segment sales	**13.13**	**2.33**	**139.73**	**132.28**	**32.61**	**320.08**
	(49.95)	(0.79)	(134.50)	(119.48)	(47.88)	(352.60)
Other operating revenue	**4.86**	**0.04**	**5.91**	**43.52**	**3.49**	**57.82**
	(54.74)	(0.58)	(6.67)	(37.09)	(4.68)	(103.76)
Segment revenues	**907.97**	**271.82**	**2,618.46**	**3,019.38**	**1,563.18**	**8,380.81**
	(4,221.72)	(252.67)	(2,249.52)	(2,616.07)	(1,540.02)	(10,880.00)
Segment results	**50.20**	**23.98**	**241.62**	**297.11**	**96.19**	**709.10**
	(421.90)	(29.27)	(191.25)	(249.58)	(189.93)	(1081.93)
Segment assets	**-**	**139.46**	**1,107.88**	**1,560.41**	**1,060.61**	**3,868.36**
	(2,802.22)	(82.35)	(1,021.18)	(1,471.61)	(1,057.93)	(6,435.29)
Segment liabilities	**-**	**114.48**	**844.17**	**916.74**	**725.67**	**2,601.06**
	(2,122.74)	(87.11)	(740.30)	(846.49)	(692.07)	(4,488.71)
Depreciation / amortisation	**13.59**	**0.44**	**18.31**	**33.59**	**5.25**	**71.18**
	(53.02)	(0.40)	(17.30)	(31.43)	(5.31)	(107.46)

viii) Reconciliation of reportable segments with the financial statements

(₹ in Crores)

	Revenues	Results / Net profit	Assets	Liabilities	Depreciation / amortisation
Total segments	**8,380.81**	**709.10**	**3,868.36**	**2,601.06**	**71.18**
	(10,880.00)	(1,081.93)	(6,435.29)	(4,488.71)	(107.46)
Power grids (Discontinued)	**907.97**	**50.20**	-	-	13.59
	(4,221.72)	(421.90)	(-)	(-)	(53.02)
Corporate - unallocated (net)	**149.17**	**(123.84)**	**3,832.47**	**1,579.66**	**32.81**
	(384.44)	(210.99)	(2,641.61)	(580.87)	(38.32)
Exceptional item - solar business	-	(69.70)	-	-	-
	(-)	(-)	(-)	(-)	(-)
Inter segment sales	**306.95**	**-**	**-**	**-**	**-**
	(352.60)	(-)	(-)	(-)	(-)
Interest expense	**-**	**(21.36)**	**-**	**-**	**-**
	(-)	(53.90)	(-)	(-)	(-)
Provision for tax	**-**	**(141.77)**	**-**	**-**	**-**
	(-)	(140.95)	(-)	(-)	(-)
As per financial statements	**7,315.06**	**302.23**	**7,700.83**	**4,180.72**	**90.40**
	(6,690.12)	(254.19)	(9,076.90)	(5,069.58)	(92.76)

b) Composition of geographical segments

(₹ in Crores)

	India	Rest of world	Total
Segment revenues	**6,015.12**	**1,299.94**	**7,315.06**
	(5,848.95)	(841.17)	(6,690.12)
Segment non-current assets*	**1,017.88**	**-**	**1,017.88**
	(1,147.94)	(-)	(1,147.94)

* Non current assets does not include deferred tax assets, financial instruments and non-current tax assets.

No customer individually accounted for more than 10% of the revenues from the continuing operations in the year ended December 31, 2019 and 2018.

42 Related party disclosures

a) Parent Company

Party where control exists:

ABB Limited, Zurich, Switzerland (Ultimate Holding Company)

ABB Asea Brown Boveri Limited, Zurich, Switzerland (Holding Company)

Entities under common control

Name of the Fellow subsidiaries:

ABB (China) Ltd., Beijing, China
ABB Australia Pty Limited, Moorebank, NSW, Australia
ABB (Namibia) (Pty) Ltd., Windhoek, Namibia
ABB (Pty) Ltd., Gaborone, Botswana
ABB A/S, Skovlunde, Denmark
ABB AB, Västerås, Sweden
ABB AG, Mannheim, Germany
ABB AG, Wiener Neudorf, Austria
ABB Algeria SpA Asea Brown Boveri , Hydra, Algeria
ABB Algerie Produits SpA, Hydra, Algeria
ABB AS, Billingstad, Norway
ABB AS, Jüri, Estonia
ABB Asea Brown Boveri Ltd, Zurich, Switzerland
ABB Asea Brown Boveri SRL, BUCHAREST, Romania
ABB (Hong Kong) Ltd., Hong Kong, Hong Kong Special Administrative Region of China
ABB Automacao Ltda, Sorocaba, Brazil
ABB Automation And Electrification (Vietnam) Company Limited, Ho Chi Minh, Viet Nam
ABB Automation GmbH, Mannheim, Germany
ABB Automation Products GmbH, Ladenburg, Germany
ABB B.V., Rotterdam, Netherlands
ABB Bailey Beijing Engineering Co. Ltd., Beijing, China
ABB Bailey Japan Limited, Shizuoka-Ken, Japan
ABB Beijing Drive Systems Co. Ltd., Beijing, China
ABB Beijing Switchgear Limited, BeiJing, China
ABB Bulgaria EOOD, Sofia, Bulgaria
ABB Business Services Sp. z o.o., Warsaw, Poland
ABB Capital B.V., Rotterdam, Netherlands
ABB Chongqing Transformer Company Ltd., Chongqing, China
ABB Colombia Ltda, Bogota, Colombia
ABB Contracting Company Ltd., Riyadh, Saudi Arabia
ABB d.o.o., Belgrade, Serbia
ABB Ecuador S.A., Quito, Ecuador
ABB Electrical Equipment (Xiamen) Co., Ltd., Xiamen, China
ABB Electrical Equipment Ltd., Lipetsk, Russian Federation
ABB Electrical Industries Co. Ltd., Riyadh, Saudi Arabia
ABB Electrical Machines Ltd., Shanghai, China
ABB Electrical Products (Shanghai) Co., Ltd., Shanghai, China
ABB Elektrik Sanayi A.S., Istanbul, Turkey
ABB Eletrificacao LTDA, Sorocaba, Brazil
ABB Engg. Technologies Co. (KSCC), Safat, Kuwait
ABB Engineering (Shanghai) Ltd., Shanghai, China
ABB Engineering Trading and Service Ltd., Budapest, Hungary
ABB Limitada, Maputo, Mozambique
ABB Enterprise Software Inc., Atlanta, GA, United States
ABB Equity Limited, Zurich, Switzerland
ABB for Electrical Industries (ABB ARAB) S.A.E., Cairo, Egypt
ABB France, Cergy Pontoise, France
ABB FZ-LLC, Dubai, United Arab Emirates
ABB Global Industries and Services Private Limited, Bangalore, India
ABB Global Marketing FZ LLC, Dubai, United Arab Emirates
ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China
ABB High Voltage Switchgear Co., Ltd. Beijing, Beijing, China
ABB Holdings Sdn. Bhd., Subang Jaya, Malaysia
ABB Inc., Cary, NC, United States
ABB Inc., Saint-Laurent, Quebec, Canada
ABB GISL Employees Gratuity Trust
ABB Industrial Solutions (Switzerland) SA, Riazzino, Switzerland
ABB Industries (L.L.C.), Dubai, United Arab Emirates
ABB Industries FZ, Dubai, United Arab Emirates
ABB Information Systems Ltd., Zurich, Switzerland
ABB Installation Products Inc, Memphis, TN, United States
ABB Jiangjin Turbo Systems Company Limited, Chongqing, China
ABB Jiangsu Jingke Instrument Transformer Co., Ltd., Suqian, Jiangsu, China
ABB K.K., Tokyo, Japan
ABB Enterprise Software (PGHV US non-legal entity), Mt. Pleasant, PA, United States
ABB Limited/Jordan LLC., Amman, Jordan
ABB Limited, Auckland, New Zealand
ABB Limited, Bangkok, Thailand
ABB Limited, Dar Es Salaam, Tanzania, United Republic of
ABB Limited, Dhaka, Bangladesh
ABB Limited, Dublin, Ireland
ABB Limited, Nairobi, Kenya
ABB Limited, Warrington, United Kingdom
ABB LLC,, Muscat, Oman
ABB LLC, Doha, Qatar
ABB LLP., Almaty, Kazakhstan
ABB Logistics Center Europe GmbH, Menden, Germany
ABB Ltd., Hanoi, Viet Nam
ABB Ltd., Kampala, Uganda
ABB Ltd., Kyiv, Ukraine
ABB Ltd., Lusaka, Zambia
ABB Ltd., Moscow, Russian Federation
ABB Ltd., Seoul, Korea, Republic of
ABB Ltd., Taipei, Taiwan (Chinese Taipei)
ABB Ltd., Zagreb, Croatia
ABB Ltda., São Paulo, Brazil
ABB LV Installation Materials Co. Ltd. Beijing, Beijing, China
ABB Malaysia Sdn Bhd., Subang Jaya, Malaysia
ABB Management Holding Ltd., Zürich, Switzerland
ABB Management Services Ltd., Zurich, Switzerland
ABB Mexico S.A. de C.V., San Luis Potosi SLP, Mexico
ABB Motion Limited, Bristol, United Kingdom
ABB Motors and Mechanical Inc, Fort Smith, AR, United States
ABB N.V., Zaventem, Belgium
ABB Near East Trading Ltd., Amman, Jordan
ABB Oy, Helsinki, Finland
ABB Power & Automation (Private) Limited, Lahore, Pakistan
ABB Power Grids Argentina S.A.U., Ciudad Autonoma de Buenos Aires, Argentina
ABB Power Grids Australia Pty Ltd, Brisbane, Queensland, Australia
ABB Power Grids Bulgaria EOOD, Sevlievo, Bulgaria
ABB Power Grids Canada Inc, Saint-Laurent, Quebec, Canada
ABB Power Grids Chile SA, Santiago, Chile
ABB Transmission & Distribution Limited LLC, Abu Dhabi, United Arab Emirates

ABB Power Grids Denmark A/S, Skovlunde, Denmark
ABB Power Grids Germany AG, Mannheim, Germany
ABB Power Grids Hong Kong Limited, Hong Kong, Hong Kong Special Administrative Region of China
ABB Power Grids Italy S.p.A., Milano, Italy
ABB Power Grids Ltd., Moscow, Russian Federation
ABB Power Grids Malaysia Sdn Bhd, Kuala Lumpur, Malaysia
ABB Power Grids Peru S. A., Lima, Peru
ABB Power Grids Poland Sp. z o.o., Warsaw, Poland
ABB Power Grids Singapore Pte. Ltd., Singapore , Singapore
ABB Power Grids South Africa (Pty) Ltd, Johannesburg, South Africa
ABB Power Grids Sweden AB, Västerås, Sweden
ABB Power Grids Switzerland Ltd, Baden, Switzerland
ABB Power Products And Systems India Limited, Bengaluru, India
ABB Power Protection LLC, Wilmington, DE, United States
ABB Power Protection SA, Gambarogno, Switzerland
ABB Power Systems Portugal, S.A, Oeiras, Portugal
ABB Pte. Ltd., Singapore, Singapore
ABB S.A., Buenos Aires, Argentina
ABB S.A., Casablanca, Morocco
ABB S.A., Lima, Peru
ABB S.A., Santiago, Chile
ABB S.p.A., Milan, Italy
ABB s.r.o., Prague, Czech Republic
ABB SARL, Kinshasa Gombe, Congo, Democratic Republic of the
ABB Schweiz AG, Baden, Switzerland
ABB Sécheron S.A., Satigny, Switzerland
ABB Shanghai Free Trade Zone Industrial Co., Ltd., Shanghai, China
ABB Shanghai Motors Co. Ltd., Shanghai, China
ABB Shanghai Transformer Co. Ltd., Shanghai, China
ABB South Africa (Pty) Ltd., Modderfontein, South Africa
ABB Sp. z o.o., Warsaw, Poland
Power-One Renewable Energy Solutions LLC, Wilmington, DE, United States
ABB Supply Operations Ltd., Baden, Switzerland
ABB Substations Contracting India Private Limited, Banglore, India
ABB Technologies Ltd., Haifa, Israel
ABB Technologies S.A., Dakar, Senegal
ABB Technology SA, Abidjan, Cote d'Ivoire
ABB Power Grids Colombia Ltda, Bogotá, Colombia
ABB Turbo Systems (Hong Kong) Limited, Hong Kong, Hong Kong Special Administrative Region of China
ABB Turbo Systems AG, Baden, Switzerland
ABB Xiamen Surge Arrestor Co., Ltd., Xiamen, China
Asea Brown Boveri Industrial, Technical & Commercial Company of Imports – Exports S.A., Metamorphossis Attica, Greece
ABB Xiamen Smart Technology Co., Ltd., Xiamen, China
ABB Xiamen Switchgear Co. Ltd., Xiamen, China
ABB Xi'an Power Capacitor Company Limited, Xi'an, China
ABB Xinhui Low Voltage Switchgear Co. Ltd., Xinhui , China
ABB, Inc., Paranaque, Metro Manila, Philippines
ABBNG Limited, Lagos, Nigeria
ABB Xiamen Low Voltage Equipment Co. Ltd., Xiamen, China
Asea Brown Boveri Lanka (Private) Limited, Colombo, Sri Lanka
Asea Brown Boveri Ltd., Moka, Mauritius
Asea Brown Boveri S.A., Madrid, Spain
B&R Industrial Automation Pvt. Ltd., Pune, India
Busch-Jaeger Elektro GmbH, Lüdenscheid, Germany
Electrical Materials Center Co. Ltd, Riyadh, Saudi Arabia
Industrial C&S Hungary Kft., Budapest, Hungary
Iraq Technology for Advanced Energy LLC, Baghdad, Iraq
Power-One Italy S.p.A., Terranuova Bracciolini (AR), Italy
ABB Stotz-Kontakt GmbH, Heidelberg, Germany
PT ABB Sakti Industri, Jakarta, Indonesia
Pucaro Elektro-Isolierstoffe GmbH, Roigheim, Germany
Shanghai ABB Power Transmission Company Ltd., Shanghai, China

Shantou Winride Switchgear Co., Ltd., Longhu District Shantou, China
Sucursal Panama de ABB SA, Panama, Panama
Thomas & Betts Asia (Singapore) Pte. Ltd., Singapore, Singapore
Trasfor SA, Monteggio, Switzerland
Turbo Systems United Co. Ltd., Tokyo, Japan
Asea Brown Boveri Ltd .Employees Gratuity Fund
ABB India Employees' Provident Fund Trust
Asea Brown Boveri Ltd. Senior Executives Superannuation Scheme
ABB SRL, Bucharest, Romania

Key Managerial Personnel :

(a) Managing Director	Sanjeev Sharma
(b) Non-Executive cum Independent Directors	Nasser Munjee Darius E. Udwadia Renu Sud Karnad V K Viswanathan (w.e.f November 13, 2019)
(c) Non-Executive Directors	Frank Duggan (upto February 8, 2018) J C Deslarzes (w.e.f February 8, 2018) Diane de Saint Victor (w.e.f November 13, 2019) Tarak Mehta
(d) Chief Financial Officer	T. K. Sridhar
(e) Company Secretary	B. Gururaj

(₹ in Crores)

	2019	2018
b) Transactions with related parties		
Transaction value in excess of 10% with a fellow subsidiary has been individually disclosed below. All other cases have been grouped and disclosed as 'other fellow subsidiaries'.		
i) Revenue from operations		
Holding Company	**4.85**	8.25
Fellow Subsidiaries		
- Power-One Renewable Energy Solutions LLC; Wilmington, DE; United States	**249.13**	13.21
- ABB Schweiz AG, Baden, Switzerland	**65.46**	78.98
- Other fellow subsidiaries	**778.23**	839.47
	1,092.82	931.66
	1,097.67	939.91
ii) Interest Income		
- ABB Power Products and Systems India Limited; Bengaluru; India	**12.23**	-
iii) Other non operating revenue		
- ABB Power Products and Systems India Limited; Bengaluru; India	**8.31**	-
iv) Purchases of raw materials, components, project items and traded goods		
Fellow Subsidiaries		
- ABB Oy, Helsinki, Finland	**434.82**	419.83
- ABB AB, Västerås, Sweden	**69.30**	319.50
- ABB Pte. Ltd., Singapore	**255.38**	241.19
- Other fellow subsidiaries	**1,383.86**	1,600.90
	2,143.36	2,581.42
v) Expenditure on ESAP charges		
Fellow Subsidiaries		
- ABB ESAP Limited, St. Peters' Port, Guernsey	**-**	0.09
vi) Expenditure on royalty, technology and trade-mark fees		
Holding Company	**90.94**	112.75
Fellow Subsidiaries		
- ABB Schweiz AG, Baden, Switzerland	**247.82**	327.69
- Other fellow subsidiaries	**12.72**	16.41
	260.54	344.10
	351.48	456.85
vii) Expenditure on information technology, engineering, management and other services		
Holding Company	**11.92**	12.33
Fellow Subsidiaries		
- ABB Information Systems Ltd., Zurich, Switzerland	**152.71**	136.48
- ABB Global Industries and Services Private Limited, Bengaluru, India	**66.83**	99.52
- ABB Management Services Ltd., Zurich, Switzerland	**57.27**	71.81
- ABB Oy; Helsinki; Finland	**38.87**	41.56
- Other fellow subsidiaries	**21.58**	69.68
	337.26	419.05
	349.18	431.38
viii) Expenses recovered from group companies		
Holding Company	**0.16**	-
Fellow Subsidiaries		
- ABB Power Products and Systems India Limited; Bengaluru; India	**64.27**	-
- ABB Substations Contracting India Private Limited, Bengaluru, India	**29.44**	13.99
- ABB AB, Västerås, Sweden	**0.83**	7.77
- ABB Management Services Limited, Zurich, Switzerland	**3.18**	7.76
- ABB Global Industries and Services Private Limited, Bengaluru, India	**2.97**	4.76
- Other fellow subsidiaries	**5.49**	12.26
	106.18	46.54
	106.34	46.54

(₹ in Crores)

	2019	2018
ix) Other capital expenditure		
Fellow Subsidiaries		
- ABB Oy; Helsinki; Finland	**2.48**	0.34
- ABB Engineering (Shanghai) Ltd.; Shanghai; China	**1.05**	0.41
- ABB AS, Jüri, Estonia	**-**	4.50
- ABB Beijing Drive Systems Co. Ltd., Beijing, China	**-**	2.95
- ABB Global Industries and Services Private Limited, Bengaluru, India	**0.22**	1.80
- ABB AB, Västerås, Sweden	**-**	1.65
- Other fellow subsidiaries	**0.83**	3.85
	4.58	15.50
x) Interest Expenses		
Fellow Subsidiaries		
- ABB Capital B.V., Rotterdam, Netherlands.	**-**	28.59
xi) Dividend paid during the year		
Holding Company	**76.29**	64.41
Fellow Subsidiaries	**-**	5.52
	76.29	69.93
xii) Repayment of borrowings		
Fellow Subsidiaries		
- ABB Capital B.V., Rotterdam, Netherlands.	**-**	600.00
xiii) Loan granted		
- ABB Power Products and Systems India Limited; Bengaluru; India	**347.62**	-
xiv) Remuneration to key managerial personnel		
The remuneration of key management personnel and a relative of key management personnel of the company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures		
Particulars		
Short term employee benefits	**9.73**	8.28
Post employment benefits#	**0.45**	0.39
Directors' Sitting fees	**0.13**	0.07
Commission to Directors	**1.06**	0.91
Total	**11.37**	9.65

Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the company as a whole and hence individual amount cannot be determined

xv) Pursuant to discontinuance of EPC business pertaining to turn-key substations, during the previous year, the Company sold the following to ABB Substations Contracting India Private Limited
(a) Current assets and liabilities (net) having carrying amount of ₹ 19.50 Crores for a consideration of ₹ 19.50 Crores
(b) Revenue contracts for a consideration of ₹ 10.50 Crores.

xvi) Pursuant to demerger of Power Grid business to ABB Power Products and System India Limited, during the year, the Company has accounted sales and purchases amounting to ₹ 349.88 Crores and ₹ 167.02 Crores respectively towards the contracts yet to be novated by the APPSIL's customers and vendors. The aforesaid sales and purchases has not been considered in the revenue from operations and cost of sales of the Company.

c) Amount due to / from related parties

Balances in excess of 10% with a fellow subsidiary has been individually disclosed below. All other cases have been grouped and disclosed as 'other fellow subsidiaries'.

i) Trade receivables		
Holding Company	**0.72**	-
Fellow Subsidiaries		
- Power-One Renewable Energy Solutions LLC; Wilmington, DE; United States	**132.58**	5.44
- ABB Schweiz AG, Baden, Switzerland	**24.64**	16.52
- Other fellow subsidiaries	**196.13**	242.11
	353.35	264.07
	354.07	264.07
- Add/ (Less) :Impact of foreign currency restatement	**3.39**	(2.61)
	357.46	261.46

(₹ in Crores)

		2019	2018
ii)	**Other financial assets**		
	Holding Company	**-**	0.79
	Fellow Subsidiaries		
	- ABB Power Products and Systems India Limited; Bengaluru; India	**244.71**	-
	- ABB Schweiz AG, Baden, Switzerland	**0.54**	9.79
	- ABB Substations Contracting India Private Limited, Bengaluru, India	**4.05**	6.82
	- ABB Global Industries and Services Private Limited, Bengaluru, India	**9.31**	3.15
	- Other fellow subsidiaries	**5.13**	10.12
		263.74	29.88
		263.74	30.67
	- Add/ (Less): Impact of foreign currency restatement	**0.03**	(0.02)
		263.77	30.65
iii)	**Other current assets**		
	Fellow Subsidiaries		
	- ABB Oy, Helsinki, Finland	**2.70**	8.23
	- ABB Substations Contracting India Private Limited, Bengaluru, India	**-**	4.20
	- ABB AB, Västerås, Sweden	**1.65**	2.17
	- ABB South Africa (Pty) Ltd.; Modderfontein; South Africa	**0.70**	-
	- Other fellow subsidiaries	**0.44**	0.99
		5.49	15.59
	- Add/ (Less): Impact of foreign currency restatement	**0.19**	0.20
		5.68	15.79
iv)	**Trade payables**		
	Fellow Subsidiaries		
	- ABB AB, Västerås, Sweden	**36.20**	190.82
	- ABB Oy, Helsinki, Finland	**149.29**	129.78
	- ABB Schweiz AG, Baden, Switzerland	**86.65**	97.23
	- Other fellow subsidiaries	**451.46**	561.51
		723.60	979.34
	- Add/ (Less): Impact of foreign currency restatement	**4.33**	(15.26)
		727.93	964.08
v)	**Other financial liabilities**		
	Holding Company	**39.55**	49.47
	Fellow Subsidiaries		
	- ABB Global Industries and Services Private Limited, Bengaluru, India	**591.90**	-
	- ABB Management Services Ltd.; Zurich; Switzerland	**23.35**	10.23
	- ABB Global Industries and Services Private Limited, Bengaluru, India	**14.88**	17.37
	- Other fellow subsidiaries	**38.04**	28.10
		668.17	**55.70**
		707.72	105.17
	- Add/ (Less) :Impact of foreign currency restatement	**2.42**	0.48
		710.14	105.65
vi)	**Other current liabilities**		
	Fellow Subsidiaries		
	- ABB Transmission & Distribution Limited LLC; Abu Dhabi; United Arab Emirates	**11.41**	0.09
	- ABB Substations Contracting India Private Limited, Bengaluru, India	**-**	11.02
	- ABB Schweiz AG, Baden, Switzerland	**0.05**	9.57
	- Other fellow subsidiaries	**6.12**	13.93
		17.58	34.61
	- Add/ (Less) :Impact of foreign currency restatement	**0.45**	0.06
		18.03	34.67

		(₹ in Crores)
	2019	2018
vii) Loan outstanding		
Fellow Subsidiaries		
- ABB Power Products and Systems India Limited; Bengaluru; India	**347.62**	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

During the year, the Company has provided inter corporate loan to APPSIL at the rate of 10% p.a which is repayable on demand. The closing balance represents the maximum outstanding.

There have been no guarantees provided or received for any related party receivables or payables.

43 Revenue from contracts with customers

		(₹ in Crores)
	2019	2018
a) Disaggregated revenue information		
Revenue by geography		
India	**6,015.12**	5,848.95
Other countries*	**1,299.94**	841.17
	7,315.06	6,690.12
* Exports to any single country are not material to be disclosed.		
# only continued operations.		
Revenue by offerings		
(Refer note 23)		
b) Contract balances		
Trade receivables	**1,947.54**	1,686.89
Advance from customers (Contract liabilities)	**244.94**	230.78
Billing in excess of contract revenue	**182.40**	133.40
Contract assets	**171.36**	-
	2,546.24	2,051.07
# only continued operations.		

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer and hence is not a financial instrument. In Company's contracts with customers, since the contractual right to payment arises only upon achievement of milestones specified in the contract, it is believed that the performance completed until the achievement of a particular milestone should be recorded as a contract asset under non-financial assets.

During the year ₹ **177.61 crores** of contract assets pertaining to the long term contracts as of January 1, 2019 has been reclassified to trade receivables upon billing to customers on completion of milestones.

During the year, the company has recognised revenue of ₹ **120.06 crores** arising from opening deferred income as of January 1, 2019.

c) No significant adjustment expected in contract price for revenue recognised in statement of profit and loss.

d) Performance Obligation

Information about the company's performance obligations are summarised below:

Execution of long term contract for projects

i.) **Long term (Construction type) contracts** - The long term contracts are ordinarily presumed to consist of combined obligations which are not distinct in the context of the contract (i.e., single performance obligation). This is highly attributed to the long-term construction nature of the projects, whereby deliverables are typically highly interrelated and combined. The typical scope of turnkey contracts arrangements includes Engineering, manufacturing, shipment, delivery installation, testing, erection and commissioning and civil works. Although there are several components to the overall scope of the contract, the turnkey contracts are generally considered one performance obligation.

ii.) **Products manufacturing and erection, commissioning and installation contracts** - These contracts comprising of two performance obligations of supply of products and erection and commissioning thereof. When the manufacturing stage is complete, factory acceptance testing procedures are performed to ensure the equipment meets customer specifications and may involve the customer physically observing the testing procedures. Revenue from contracts, where the performance obligations are satisfied over time and other consideration, is recognized as per the percentage of completion method. The Company uses the percentage of completion method based on the costs expended to the date as a proportion of the total costs to be expended.

e) Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at December 31, 2019 is ₹ **4,123.50 crores**. The conversion to revenue is highly dependent on meeting the delivery schedules, contractual terms and conditions with customers, availability of customer sites, changes/ variation in scope/ prices etc. In view of these, it is not practical to define the accurate percentage of conversion to revenue. However, it will be in a range of 1 to 3 years.

f) There was no revenue recognised in the current year ended December 31, 2019 from performance obligations satisfied (or partially satisfied) in previous periods due to no significant changes in transaction price.

44 Impact on transition to Ind AS 115

Effective January 1 2019, the Company has adopted IND AS 115, "Revenue from Contracts with customers". The Company has adopted the aforesaid standard retrospectively with a cumulative impact of ₹ 9.77 Crores (net of tax impact ₹ 5.24 Crores) credited to the retained earnings as on January 1, 2019 on account of retention discounting.

45 The board at its meeting held on July 9, 2019, granted in-principle approval for sale of Company's solar inverter business to an Italian Company, FIMER S.p.A. Consequently, pursuant to the requirements of Ind AS 105 - Non Current Assets held for Sale and Discontinued Operations, the Company has classified the assets as at December 31, 2019 pertaining to the Solar Inverter Business as Assets held for sale and measured the same at lower of cost and fair value (fair value less costs to sell). In this regard, the Company has accounted exceptional cost amounting to ₹ 69.70 Crores towards the remeasurement of fixed assets and inventories at realisable values.

Carrying value of asset and liabilities classified as held for sale

	(₹ in Crores)
	2019
Assets classified as held for sale	
Non-current assets	**26.48**
Trade receivables	**237.32**
Inventories	**96.93**
Other Current assets	**61.84**
Total assets of disposal group held for sale	**422.57**
Liabilities directly associated with assets classified as held for sale	
Non-current liabilities	**2.29**
Trade payable	**205.73**
Other current liabilities	**63.62**
Total liabilities of disposal group held for sale	**271.64**
Solar inverter business is part of electrification segment	

46 ABB Power Products and Systems India Limited (APPSIL) was incorporated on February 19, 2019 as a wholly owned subsidiary of ABB India Limited. Vide NCLT's order dated November 27, 2019, the Company lost control over APPSIL with effect from the Appointed date ie. April 1, 2019. Hence consolidated financial statement is not presented. There are no transactions in APPSIL during the period February 19, 2019 to March 31, 2019.

As per our report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Amit Somani
Partner
Membership no.: 060154
Bengaluru, February 12, 2020

For and on behalf of the Board

J C Deslarzes (DIN-08064621)	Chairman
Sanjeev Sharma (DIN-07362344)	Managing Director
Nasser Munjee (DIN-00010180)	Director
T. K. Sridhar	Chief Financial Officer
B. Gururaj (FCS-2631)	Company Secretary

Bengaluru, February 12, 2020

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