

# 2021

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**Annual  
report**



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## ABB AT A GLANCE

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ABB is a leading global technology 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 about 105,000 talented employees in over 100 countries.

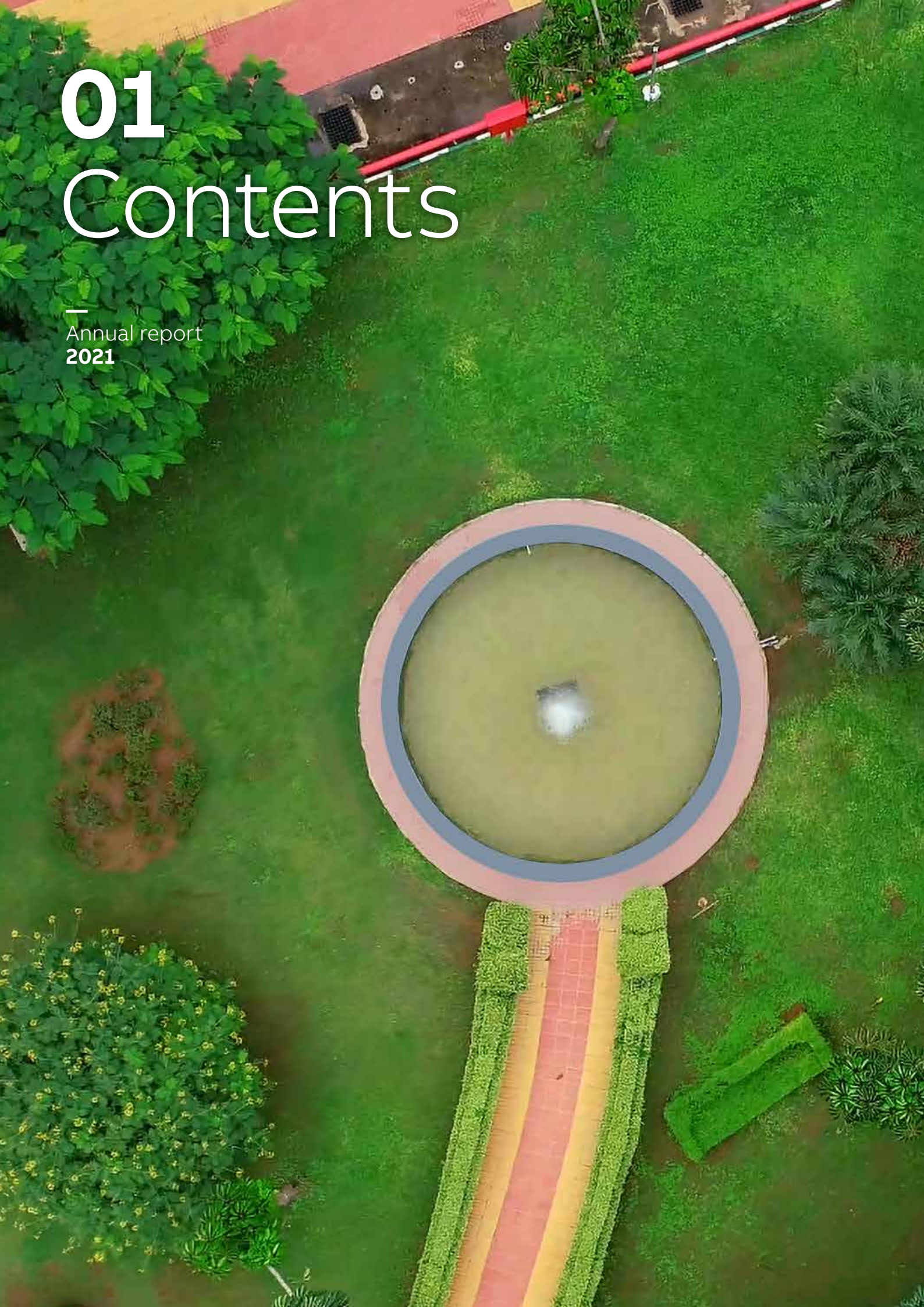
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Annual report  
**2021**







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# 2021: Solid and resilient performance

## Highlights



Full year orders grew by **29%**, revenue by **19%**, and PAT by **131%**



**Strong cash** position at the end of 2021



**Resilient and diversified** business model supports performance



Board recommends full-year dividend of **260%**



**"Sustainability in practice"** - significant milestones in LEED certifying manufacturing campuses, deploying **energy efficient** technology, turning **water positive** and elimination of single use plastics



**~98%** of employees, immediate family, and partner eco-system vaccinated

## Five-year trajectory

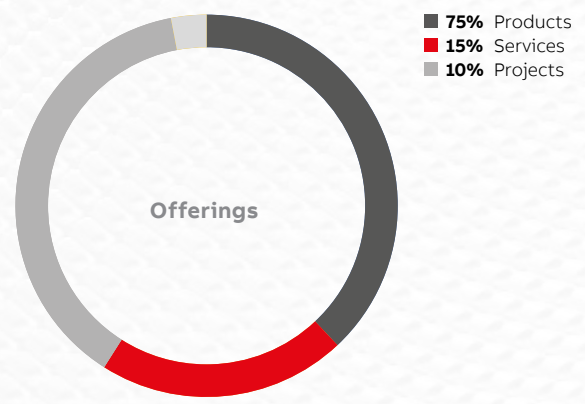
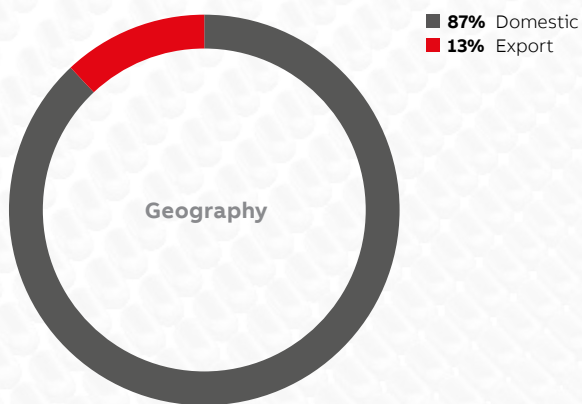
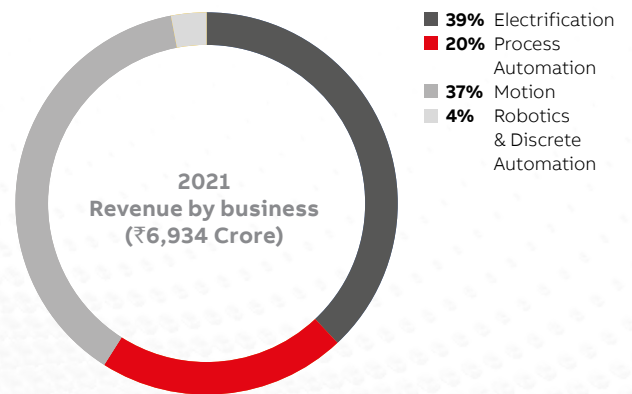
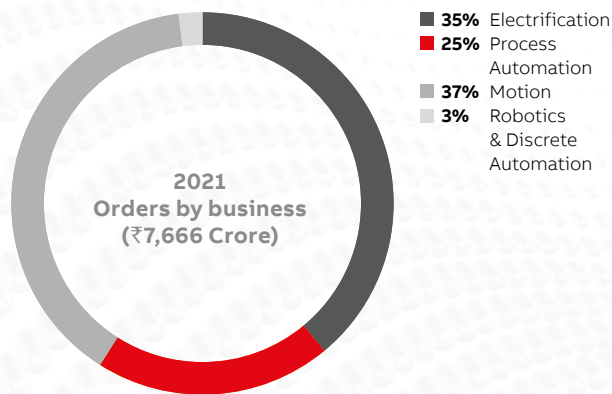
(₹ in Crores)

Description	2021	2020	2019	2018	2017
<b>Sources of Funds</b>					
Shares capital	42	42	42	42	42
Reserves	4,003	3,564	3,478	3,965	3,565
Net worth	4,045	3,606	3,520	4,007	3,607
Borrowings	-	-	14	7	608
Funds employed	4,045	3,606	3,534	4,014	4,215
<b>Income and Profits</b>					
Revenue from operations	6,934	5,821	8,210	10,862	9,087
Operating profit before Interest and depreciation	699	368	648	1,017	857
Profit before tax and exceptional	586	231	515	794	622
Profit before tax and after exceptional	707	289	446	-	-
Profit after tax	520	219	303	511	420
Dividend/Dividend tax	106	102	123	112	102
Retained earnings	414	117	180	399	318
<b>Other data</b>					
Gross fixed assets	1,208	1,130	1,006	1,669	1,642
Debt equity ratio	0.00 :1	0.00 :1	0.00 :1	0.00 :1	0.17:1
Net worth per equity share-Rs	191	170	166	189	170
Earnings per equity share-Rs	25	10	14	24	20
Dividend per equity share-Rs	5.2*	5.0	4.8	4.8	4.4
Profit after taxes as % to average net worth	14	6	8	13	12
Orders received	7,666	5,932	6,970	10,115	9,490
Orders backlog	4,912	4,114	4,123	10,111	11,534
Number of permanent employees	4,075	3,255	3,299	5,531	5,590

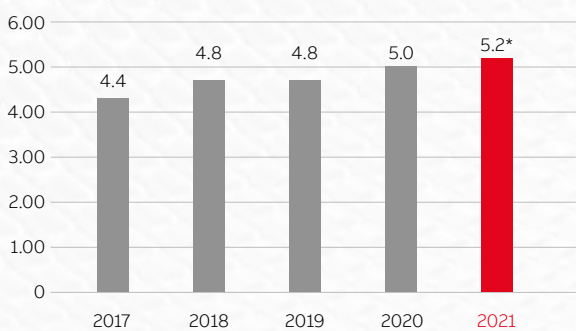
Note:

Figures for 2019, 2018 and 2017 also include performance of Power Grids Business, which has been disclosed as the discontinued operations in the Financials section.

\* Proposed dividend

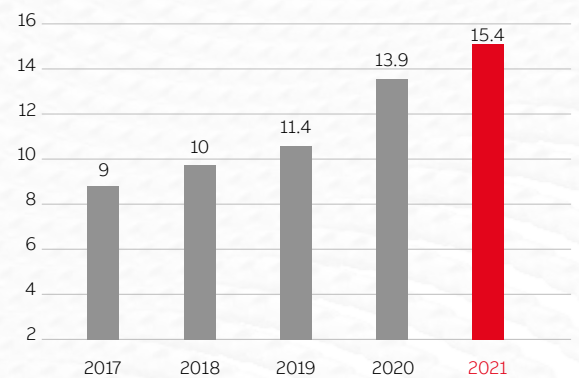


#### Dividend (₹ per share)



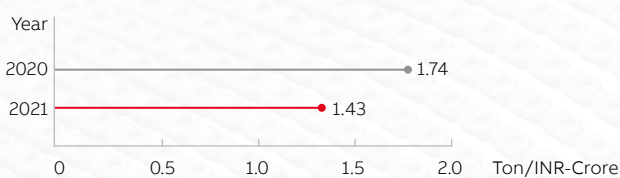
\* Proposed dividend

#### Gender diversity %



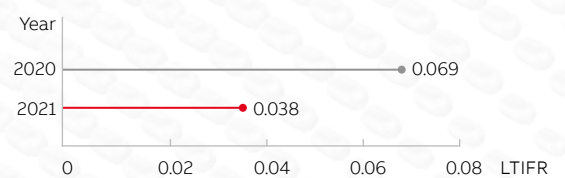
#### CO<sub>2</sub> scope 1 & 2

CO<sub>2</sub> emission intensity – Ton/INR-Crore



#### Lost Time Injury Frequency Rate

LTIFR, frequency/200,000 working hours



# 2021 Milestones

## Enabling resource efficiency in Indian cities



Indore Smart City deploys ABB's next-generation digital technology for continuous supply of electricity in homes & businesses



Shimla has cut pipeline damage by 50% using ABB softstarters to help lift water from thousands of feet from a dam



First order for eco-efficient switchgear Primegear for power distribution in the ancient city of Varanasi



ABB's Motion solutions to be used for second phase of Kaleshwaram lift irrigation project in Telangana

## Driving smart mobility solutions for safer commute



The Chennai metro line uses ABB's active front-end variable speed drives (VSDs) for safe and secure ventilation



Secured first order for the supply of 25kV GIS for first Semi-High Speed Rail project in India



Supplying traction power equipment for NCRTC, Delhi-Meerut Corridor



Commissioned air insulated switchgear (AIS) for Kanpur Metro, low voltage switchgears for Kolkata metro





## Transitioning to a clean energy economy with last mile connect



ABB reaches cumulative 5GW milestone in delivering solar plant automation solutions in India



Electrification solutions for high current pooling station areas of renewable energy projects



More than 500MW supply of wind power generators across the country



Digitalizing gas distribution networks across 11 states enabling last mile connect to remote areas

## Partnering Indian Industry for greater efficiency, productivity, and smarter shopfloors



The world's longest conveyor systems at JSW, Bellary has Electrification, drives, and automation solutions, reducing 3000 road trips



Bharat Biotech's Covaxin manufacturing facility deploys ACS560 drives for safety and energy efficiency



ABB's electro magnetic brake systems help improve quality and lower production cost for Tata Steel



OLA deploys ABB's robotics automation solutions for its mega factory for electric scooters



## Promoting social progress



Community outreach/CSR projects positively impacting >11 lakh lives pan India



4 mobile health units' reach 70,000 beneficiaries annually in and around Bengaluru, Vadodara, Nashik and Faridabad



A model program Prerana 2.0 created for improving school learning in 98 Govt schools in Bengaluru region covering 9000 students/year



~98% of employees, immediate family and partner eco-system vaccinated

## Integrity and transparency



Continued awareness programs on ABB Code of Conduct with 100% of all Board of Directors, key managerial and senior personnel covered by integrity training



Similar programs were also conducted with channel partners on ethics, integrity and transparency



The Company's Internal Control (IC) environment has a holistic IC framework aligned with most matured COSO 1992, COSO 2013 standards & The Companies Act 2013





# Deep and consistent stakeholder connect

## Customers

"We are delighted to work with the ABB India team on this one-of-a-kind project. This unique and challenging project had to be delivered in a year's time, against all odds. The advanced conveyor system has resulted in significant advantages, both in terms of cost reduction as well as enhancing our contribution to the environment. We look forward to collaborating with ABB on our future projects as well."

– **Sunil D Kathariya**, Executive Vice President (Projects), JSW India

"We are delighted to bring on board ABB, a global leader in robotics, machine automation and digital services, as a key supplier and partner for robotics and automation solutions that will be deployed at our scooter mega-factory. ABB's solutions will be riding on Ola's own proprietary AI engine and tech stack embedded in our scooter mega-factory. We are bringing in global expertise and stitching up partnerships that will help us build out our factory in record speed and roll out the first of our electric scooters in the coming months."

– **Bhavish Aggarwal**, Chairman and Group CEO, Ola

## Partners

"We are proud to work with a leading technology and engineering company such as ABB to bring this project to life. Considering our long-standing association with Surat Municipal Corporation that dates back to 1998, we are looking forward to assisting Surat in the Smart City Mission."

– **Bankim Vashi**, Managing Partner, Shrirang Sales Corporation

"With the channel partner business entering the INR 1,000 crore club in 2021, Motion India scripted a new milestone in its growth story. We are proud to be a part of it. We appreciate Motion team's efforts in helping us stay ahead of the curve with timely support and knowledge sharing on new products, applications, and technologies. This has been a very rewarding collaboration and we hope to scale new heights together this year."

– **Vipul Shah**, V R Traders & Vipul Traders

## Community

"This road wasn't good before and it was hard for people to commute. Since it has been fixed, it is has increased convenience and productivity. Even solar powered lights have been installed on this road which are very helpful and make the road safer."

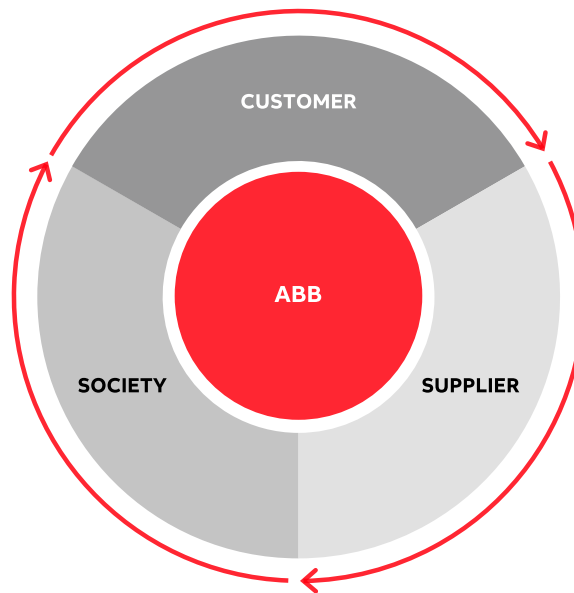
– **Shantapa**, Businessman using Peenya Road

"I had the opportunity to attend the cybersecurity program that Divya Sureshkumar from ABB had conducted. The program focused on the different aspects of cybersecurity. These programs have also helped me to groom and transform myself. I would once again want to thank Lila Poonawala Foundation and ABB India for giving me this golden opportunity to prove myself."

– **Aditi Mane**, scholarship awardee

# ABB Group's sustainability targets

Striving to achieve all targets by 2030



Sustainable Value Chain

## We enable a low-carbon society

- **Carbon neutrality** in own operations
- Support our customers in reducing annual CO<sub>2</sub> emissions by **>100 Mt<sup>1</sup>**
- Supply chain emission reduction

## We preserve resources

- **80%** of ABB products & solutions covered by circularity approach
- **Zero waste** to landfill<sup>2</sup>
- Supplier Sustainability Framework

## We promote social progress

- Zero harm to our people and contractors
- Comprehensive D&I framework<sup>3</sup>; 25% women among ABB leaders
- Top-tier employee engagement score in our industry
- Impactful support for community-building initiatives

## INTEGRITY AND TRANSPARENCY ACROSS OUR VALUE CHAIN

1. Savings in the year 2030 from solutions provided to customers 2021-30

2. Wherever local conditions allow

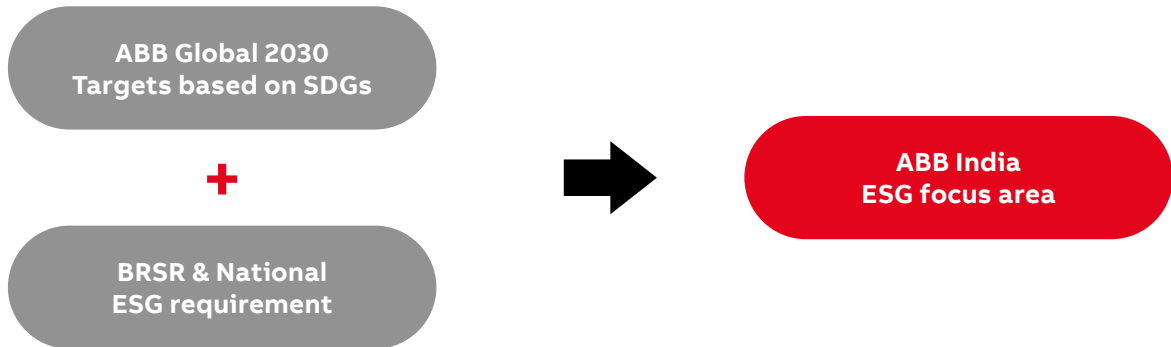
3. Diversity & Inclusion framework



# Sustainability in practice

## Implementing ABB India ESG Strategy


### • Evolving of ABB India ESG framework




### • 10 Point ESG Focus Areas for ABB India

1. Green Infrastructure & Site Efficiency
2. Renewable Energy & Energy Efficiency Improvement
3. GHG Emission Reduction
4. Water Conservation
5. Product Stewardship & Life Cycle Analysis
6. Material Conservation, Waste & Circularity
7. Stakeholder Engagement (Community, Supply Chain & Customer)
8. Innovation & Biodiversity
9. Safe & Healthy Working Environment
10. Diversity & Inclusive Workforce

### • Sustainable Business Model (Green initiative)

  
**Phase 1**  
Green Factory Buildings

  
**Phase 2**  
Green Manufacturing –  
**Towards Net Zero**

  
**Phase 3**  
Green Products

# Country Management Committee



**TK SRIDHAR**  
Chief Financial Officer

**SANJEEV SHARMA**  
Managing Director

**SUBRATA KARMAKAR**  
President – Robotics &  
Discrete Automation

**G BALAJI**  
Head of Energy Division  
Process Automation





**RAMANKUMAR SINGH**  
Country Human Resources Officer

**TRIVIKRAM GUDA**  
Company Secretary

**SANJEEV ARORA**  
President – Motion

**KIRAN DUTT**  
President – Electrification





# Company Information

## Board of Directors

**Morten Wierod** Chairman  
**Sanjeev Sharma** Managing Director  
**Darius E. Udwardia** (upto 28.04.2021)  
**Renu Sud Karnad**  
**V K Viswanathan**  
**Maria Rosaria Varsellona**  
**Gopika Pant** (w.e.f. 27.04.2021)

## Chief Financial Officer and Chief Investor Relations Officer

**T. K. Sridhar**

## Registrar and Share Transfer Agents

KFin Technologies Limited  
 Selenium Tower B, Plot Nos. 31 & 32  
 Financial District, Nanakramguda  
 Serilingampally Mandal  
 Hyderabad - 500 032, Telangana

## Audit Committee

**V K Viswanathan** Chairman  
**Darius E. Udwardia** Member (upto 27.04.2021)  
**Renu Sud Karnad** Member  
**Maria Rosaria Varsellona** Member  
 (w.e.f. 27.04.2021)  
**Gopika Pant** Member (w.e.f. 27.04.2021)

## Company Secretary and Compliance Officer

**B. Gururaj** (upto 12.04.2021)  
**Sunil L Naik**  
 (from 06.10.2021 to 21.12.2021)  
**Trivikram Guda** (w.e.f. 22.12.2021)

## 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  
 The Hongkong and Shanghai Banking  
 Corporation Limited  
 Yes Bank Limited

## Stakeholders Relationship Committee

**Darius E. Udwardia** Chairman  
 (upto 27.04.2021)  
**Gopika Pant** Chairperson (w.e.f. 27.04.2021)  
**Renu Sud Karnad** Member  
**Sanjeev Sharma** 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

## Nomination and Remuneration Committee

**V K Viswanathan** Chairman  
**Renu Sud Karnad** Member  
**Morten Wierod** Member (w.e.f. 27.04.2021)

## Secretarial Auditors

Messrs BMP & Co. LLP  
 Company Secretaries  
 No. 926, 20<sup>th</sup> Main, BSK 2<sup>nd</sup> Stage  
 Bengaluru - 560 070

## Corporate Identity Number

L32202KA1949PLC032923

## Corporate Social Responsibility Committee

**Renu Sud Karnad** Chairperson  
**Sanjeev Sharma** Member  
**Morten Wierod** Member (upto 27.04.2021)  
**Gopika Pant** Member (w.e.f. 27.04.2021)

## Cost Auditor

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

## Risk Management Committee

**V K Viswanathan** Chairman  
**Maria Rosaria Varsellona** Member  
 (w.e.f. 27.04.2021)  
**Sanjeev Sharma** Member  
**T. K. Sridhar** Member

## Registered Office

Disha - 3rd Floor  
 Plot No. 5 & 6, 2nd Stage  
 Peenya Industrial Area IV  
 Peenya, Bengaluru - 560 058  
 Karnataka, India



# 02

# Statutory Reports

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— 98 - 142	Management's Discussions and Analysis and other Annexures to the Board's Report
— 143	MD / CFO Certificate

# Business Responsibility & Sustainability Reporting (BRSR) - Executive Summary

For the past several years, the Company had released its Business Responsibility Report BRR. This year is the first year where the Company has voluntarily adopted the recent BRSR template for its non financial reporting and covers the period between January – December 2021.

The Company's reports are intended to communicate its vision of sustainability, disclose how it manages environmental, social and governance aspects and demonstrate its progress towards sustainability goals and initiatives. These transparent disclosures allow the Company's stakeholders to benchmark its performance against industry peers.

The Company is focused on executing a strong ESG proposition by working with all relevant stakeholders as well as in its own operations. During the Covid-19 pandemic, in the last 2 years, the Company driven by intense collaboration among its teams prioritized on safety, health and well-being of its employees including communities.

**An outline summary to demonstrate ABB India's commitment to the nine principles of BRSR is given below:**

## General disclosure

**5**

Locations

**25**

Plants

**21**

Sales offices

**20**

Divisions

**3149**

Permanent employees



## 1.

**PRINCIPLE**

**Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**



Integrity and transparency are integral to **ABB's Code of Conduct (CoC)**



Focused on **responsibility**, respect and determination



ABB Code of Conduct is the framework that explains the behavior expected of every **ABB employee and stakeholder globally**



**100%** of all Board of Directors, key management and senior personnel covered by integrity training as per CoC



Similar programs conducted for channel partners on ethics, **transparency and integrity**



**PRINCIPLE**  
**Businesses should provide goods and services in a manner that is sustainable and safe**

## 2.



**The ABB Supplier Code of Conduct (SCoC)**, is a guiding document for value chain partners which, clearly explains the requirements of human rights, fair labor conditions, business ethics, HSE & material compliance



Continuous investment towards making **plants smarter** across India



**Sustainable Supply Base Management (SSBM)** program addresses topics of sustainability at each stage of supplier lifecycle management



In Nelamangala, Bengaluru, smart power products shopfloor achieved **30% more production** with **30% less space**



**11 suppliers** have been trained and **22 suppliers** were assessed for sustainability requirements during 2021



**New sustainable products** - eco-efficient switchgears, energy efficient smart meters, highest efficiency level IE5 motors were launched in 2021



**PRINCIPLE**  
Business should respect and promote the well-being of all employees including those in their value chains

**3.**



**5601** digital sustainability observation tours have been clocked with a hazard resolution rate of **98%**



Diversity ratio has more than doubled in the last 4 years and was **15.4%** in 2021



Wellness and mental health programs for all employees with vaccination assistance to **100%** of employees and their family members and contract employees



ABB's Leadership Learning Ecosystem focused on **100%** of employees with focus on continuous learning & development

**4.**

**PRINCIPLE**  
Businesses should respect the interests of and be responsive of all its stakeholders



#### ABB India CSR focal areas



**Education**  
Curiosity



**Diversity & Inclusion**  
Courage



**Communities & Environment**  
Care

**Collaboration: shared purpose, partnerships for sustained impactful programs**

In line with ABB values of: Curiosity, Courage, Care and Collaboration



**4** mobile healthcare units benefiting **70,000** people annually, in and around our manufacturing locations



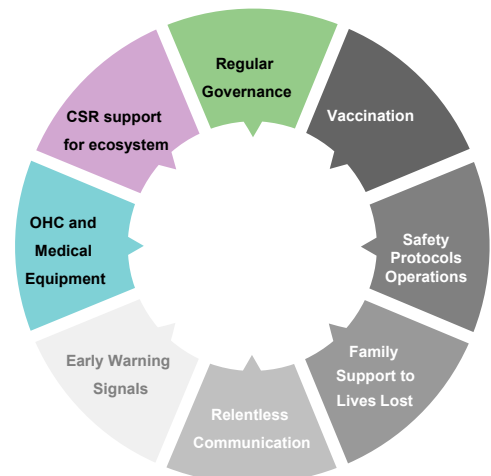
360 degree approach to **Covid management**



**100** engineering scholarships with mentoring and industry readiness program for girls from disadvantaged background introduced



**98** govt schools, **9000** students benefit from a special learning outcome improvement program







## PRINCIPLE 5.

Business should respect and promote human rights



Respect for human rights is an integral part of ABB Code of Conduct and **ABB Sustainability Strategy 2030**



Human Rights **due diligence** process in place with champions nominated & trained across key functions and business areas



**Multi pronged** approach to Human Rights covering employees, suppliers and contractors, local communities and society



Human Rights **awareness training** to most of the employees

## 6.

### PRINCIPLE

Business should respect and make efforts to protect and restore the environment



**4%** increase in water recyclability from 2020



Nelamangala, Bengaluru campus certified water positive with **water positivity index at 1.24**



**18%** reduction in Green House Gas (GHG) intensity (scope 1 and 2 emission) from 2020



**3** campuses and **corporate office** certified by IGBC/LEED green rating system





**PRINCIPLE 7.**  
Business, when engaging in influencing public a regulatory policy, should do so in a manner that is responsible and transparent



**Best practices** and technical knowhow sharing with industry associations like CII, Swiss and Swedish Chamber of Commerce



Part of 12-member committee at IEEMA, on **cyber-security** of power plants

**8.**

**PRINCIPLE**  
Business should promote inclusive growth and equitable development



More than **11 lakh** lives positively impacted with CSR projects



**70%** of direct material for ABB manufacturing locations sourced from within and neighboring districts





**PRINCIPLE**  
Businesses should engage with and provide value to  
their consumers in a responsible manner

**9.**



**Net Promoter Score (NPS)** survey methodology adopted by the company to know how the perception of its customers, every two years



In 2020, **5,427** customers were invited for NPS survey and our score was **66%**



The Company **respects and protects personal data** of individuals. ABB India initiatives are aligned with ABB global's personal data initiatives



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# Sustainability in practice







## Nelamangala Campus, Karnataka

- Received **'Water Positive'** certification from The Energy and Resources Institute (TERI)\*
- Certified **'Platinum rated'** under Green factory building rating system by Indian Green Building Council (IGBC)\*\*
- Water recyclability close to **85%**
- Waste recyclability around **88%**

\* 'Water Positivity' implies replenishing more water than that being consumed at the location

\*\* The IGBC Platinum rating recognizes global leadership and is the highest rating offered by IGBC

# Business Responsibility and Sustainability Reporting 2021 - Full Report

## Sustainability in practice

Sustainability is beyond managing environmental risks and is about building resilience into the organization that is attained through Environmental, Social and Governance (ESG) agenda within and with external stakeholders. The Company is focused on executing a strong ESG proposition by working with all relevant stakeholders as well as in its own operations.

Even during the pandemic, the Company continued to strive towards addressing its sustainability goals internally, simultaneously assisting communities to navigate the pandemic. It also re-emphasized its efforts to integrate sustainability into its business strategy. It is actively enabling a low-carbon society as well as working with its customers and suppliers to implement sustainable practices in line with the Company's 2030 Sustainability strategy. The Company is equally committed to driving social progress in communities.

During the Covid-19 pandemic, in the last 2 years, the Company experienced intense collaboration among its teams, and it focused on safety, health and well-being of its employees including various communities. Extensive efforts were put in to make workplaces safe for employees, and contractors. The Company contributed towards relief efforts swiftly partnering with Government and charitable run hospitals in the country providing essential medical supplies and devices for Covid-19 patient management. It also focused its efforts in providing equitable access to Covid-19 vaccination to its employees alongside Governmental efforts. Within the company, vaccination drives were also organized to aid employees and their immediate families to voluntarily get vaccinated for the Covid-19 virus.

The Company's sustainability focus is part of its commitment to responsible business practices, which are at the center of its comprehensive governance framework,

based on integrity and transparency. The framework is underpinned by the Company's five integrity principles in the ABB Code of Conduct, which guides employees and suppliers to always do the right thing.

A key part of the Company's 2030 sustainability strategy is to support its customers and suppliers to reduce emissions and achieve carbon neutrality in its own operations. ABB's greenhouse gas emissions reduction targets have been validated by the Science Based Targets initiative as being in line with the 1.5°C scenario of the Paris Agreement. The Company in line with the target requirements has set internal performance indicators and metrics to achieve the said targets across businesses and locations of its operations.

To enable the Company to remain focused on achieving its goals, its sustainability targets are integrated into its decision-making processes with well laid down accountabilities. Several policies and standards are in place to underpin its sustainability core values, covering business ethics and governance, the Code of Conduct, and policies such as the Group Social and Human Rights the Supplier Code of Conduct, the Company's Health, Safety Environment, Security, and Sustainability Policy (HSE) and Corporate Social Responsibility (CSR) policies respectively. The various policies are further reinforced by various ABB Group directives, instructions and management systems which are mandated within the Company's operations, manufacturing locations, project sites and on vendors.

The Company also continued to contribute to a sustainable world by its varied, unique business offering of pioneering technologies, products and services. Through its offerings aided the sustainable development goals across critical domains such as smart cities, sustainable mobility solutions, automation, energy efficiency in essential manufacturing and utility sectors.

1 <https://new.abb.com/sustainability/social-policy>

2 <https://new.abb.com/sustainability/human-rights-policy-and-statement>

3 [https://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster\\_24-x-32-in\\_v5.pdf?sfvrsn=2](https://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster_24-x-32-in_v5.pdf?sfvrsn=2)

4 <https://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility>



## Sustainability goals and targets

The ABB Group launched its renewed sustainability strategy 2030 last year, focused on balancing the needs of society, the environment and the economy to create success for all its stakeholders. Main sustainability targets have been set and the Company strives to achieve all targets by 2030. Its goal and targets are mainly under three main groupings:

### 1. To enable a low carbon economy

- Carbon neutrality in own operations
- Support customers in reducing annual CO<sub>2</sub> emissions by >100 Mt
- Supply chain emission reduction

### 2. To preserve resources

- 80% of ABB products and solutions covered by circularity approach
- Zero waste to landfill
- Supplier sustainability framework

### 3. To promote social progress

- Zero harm to the Company's people and contractors
- Comprehensive D&I framework; 25% women among ABB leaders
- Top-tier employee engagement score in the industry
- Impactful support for community - building initiatives

The ABB Way operating model developed by the ABB Group aims to conduct the tasks and the inter-related processes of the Company's business in the same way to achieve the objectives and create a culture of continual improvement. As part of this management system's Governance framework for Health, Safety, Environment, Security, Energy efficiency and Sustainability. A new operating model was introduced which is based on ISO 45001 and ISO 14001 standards and has been implemented at all of the Company's locations (plant, customer sites, project sites and offices). Progress against the set targets is constantly monitored through internal systems and process along with online reporting channels. Performance is being reported externally in the annual ABB Group Sustainability Report which is consolidated as per GRI guidelines. In India, the Company has been publishing its Business Responsibility Report (BRR) as per SEBI's requirement for disclosure on key sustainability indicators and has voluntarily adopted the new BRSR format as best practice ahead of time for its non-financial performance disclosure from the current year onwards.

Country Sustainability Task Force at location and division levels have been established at the Company to uphold good sustainability governance and assure compliance with local legislations, ABB Group standards and customer expectations. The Company Board also discusses, reviews and monitors key sustainability performance indicators and monitor progress against set action plans to achieve the same, every quarter.

## Business achievements and sustainability

In alignment with the Sustainable Development Goals-with its pioneering technologies, the Company is helping to address the economic, social, environmental and governance challenges defined by the SDGs. The Company continued creating sustainable milestones across all its business lines, and even within the workplace, whilst straddling the challenges posed by the second wave of the pandemic and leveraging pockets of growth in the second half & parallelly prioritizing health and safety.

The Company continued to engage with the local Government, and local communities to support relief efforts for Covid-19. The Company continued its focus on safeguarding employees by organizing on-premises vaccination drives, ramping up medical support, creating awareness around holistic health with a special focus on mental health and a continuous flow of verified information. With its commitment towards community development, the company also continued its community outreach efforts through its network of grassroots implementation partners in modified formats befitting the pandemic situation and strengthened its collaboration with partners to provide education to meritorious girls from disadvantaged backgrounds.

During the year, the Company made strategic investments towards sustainability. It moved its registered office to the existing campus in Peenya, making it an integrated campus, walking the talk on sustainability & remain closer to the business. This integrated Leadership in Energy and Environmental Design (LEED) gold certified digital campus houses the Country Office, Motion and Electrification business areas of the Company alongside Process Automation, enhancing cross-business collaborations.

In line with Government's Make in India policy, the Company expanded the manufacturing capacity of low voltage motors for its sustainable campus in Faridabad, which is fully powered by Renewable Energy. The Company's manufacturing campus in Nelamangala with smart factories also received IGBC platinum rating. Recognizing its efforts towards a sustainable future, the Company's Nelamangala plant has also been recognized as 'Water Positive' by The Energy and Resources Institute (TERI), India.

Winning customer confidence, the Company commissioned and won some strategic projects pan India. The Company's drives have been commissioned for a major vaccine manufacturer, metallurgy solutions for Tata Steel's Jamshedpur plant, its Digital compact secondary substation for Indore Smart City, and Gofa series of robots for Bector Automation. The Company also secured a melt shop digitization project for leading steel major JSW.

With its continued focus on providing customers with the best-in-class products, the Company also launched new range of low voltage circuit breakers, switches manufactured with collaborative robotics and flameproof low voltage motors for explosive atmospheres.

Frost & Sullivan recognized the Company for its 'manufacturing excellence' and 'smart factory' as part of its Manufacturing Excellence Awards.



## SECTION A: GENERAL DISCLOSURES

## I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L32202K1949PLC032923
2.	Name of the Listed Entity	ABB India Limited
3.	Year of incorporation	1949
4.	Registered office address	Disha, Corporate Office, 3rd Floor, Plot No. 5 & 6, 2nd Stage, Peenya Industrial Area IV, Peenya, Bengaluru - 560 058, Karnataka
5.	Corporate address	Disha, Corporate Office, 3rd Floor, Plot No. 5 & 6, 2nd Stage, Peenya Industrial Area IV, Peenya, Bengaluru - 560 058, Karnataka
6.	E-mail id	investor.helpdesk@in.abb.com
7.	Telephone	080 2294 9122, 080 2294 9240 / 9153
8.	Website	http://new.abb.com/indian-subcontinent
9.	Financial year for which reporting is being done	2021
10.	Name of the Stock Exchange (s) where shares are listed	National Stock Exchange of India Limited and BSE Limited.
11.	Paid-up Capital	
12.	Name and contact detail (telephone email address) of the person who may be contacted in case any queries on the BRSR report	Vimal SS Email: vimal.ss@in.abb.com  Dhenuka Srinivasan Email: dhenuka.srinivasan@in.abb.com
13.	Reporting Boundary- Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements taken together)	Disclosures under this report are made on a standalone basis for ABB India Limited

## II. Products/services

14. &amp; 15. Details of business activities and products/services sold by the Company (accounting for 90% of the turnover).

S.No	Description of Main Activity / ABB Business Area	Description of Business Activity	Products/Service (Applicable NIC Code)	% of Turnover of the entity
1	Electrification	Offers a wide-ranging portfolio of products, digital solutions and services, from substation to socket, enabling safe, smart and sustainable electrification. Offerings encompass digital and connected innovations for low- and medium-voltage, including modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control.	Electricity Distribution Equipment, Protection & Control Equipment, Motor Starting & Safety, Switches & Fuse gear & associated service (27104); Energy Distribution Solutions inside Buildings and low voltage electrical installations, Building automation [27339 (wiring devices & fittings); 26517 (Building Automation)]	39
2	Motion	Offers complete range of electrical motors, generators, drives and services, as well as integrated digital powertrain solutions. It serves a wide range of automation applications in transportation, infrastructure and the discrete and process industries.	Large Motors & Generators (27101); Low Voltage Motors & Services (27103); Drives Products, System Drives and Traction Convertors (26109)	36
3	Process Automation	Offers a broad range of solutions for process and hybrid industries, including industry-specific integrated automation, electrification and digital solutions, control technologies, software and advanced services, as well as measurement & analytics, and marine and turbocharging offerings.	Industrial process control equipment (26517)	20

\*\* RA Business Area excluded as it would cross 90% with the above three Business Areas

\*\* The above-mentioned codes cover 90% of the requirements. Point 14 and 15 as per BRSR format are both covered in the above table.

## III. Operations

16. Number of locations where plants and /or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	25**	21	28
International*			

\*There are no international operations

\*\* 9 factories as per Factories Act 1948 comprising of multiple plants adding up to 25 across locations

**17. Markets served by entity****a. Number of locations**

Locations	Number
National - Markets served pan India across all states in the country.	28
International (No. of countries) - Asia, Middle East, Africa, Europe and Americas	5

**b. What is the contribution of exports, a percentage of the total turnover of the entity?**

13%.

**c. A brief on types of customers:**

The Company serves customers across all segments and to all types/categories viz., End users, OEMs, EPCs, Channel Partners, Distributors, Retailers, etc. (covering all types of companies). The Company works closely with industry, utility, transportation and infrastructure customers, serving a diverse range of end-markets, including data centers, food & beverage, oil, gas & chemicals, mining & metals, marine & ports, residential & non-residential buildings, automotive, railways & rolling stock, renewables, conventional power generation, power transmission & distribution, smart cities, and water utilities.

**IV. Employees****18. Details as at the end of the Financial year:****a. Employees and workers (including differently-abled)**

A. Employees and Workers (including differently abled)						
S.No	Particulars	Total	Male		Female	
			No.	%	No.	%
Employees						
1	Permanent (D)	2811	2584	91.92%	227	8.08%
2	Other than Permanent (E)	82	52	63.41%	30	36.59%
3	Total employees (D+E)	2893	2636	91.12%	257	8.88%
Workers						
4	Permanent (F)	338	335	99.11%	3	0.89%
5	Other than Permanent (G)*	849	773	91.05%	76	8.95%
6	Total workers (F+G)	1187	1108	93.34%	79	6.66%

Note: \* Trainees, Apprentices and fixed term contractors and retainers

**b. Differently-abled Employees and workers**

Differently-abled employees and workers				
S.No		Total (A)	Male	Female
			No. (B)	No.(C)
Differently-abled employees				
1	Permanent (D)	5	4	1
2	Other than Permanent (E)	0	0	0
3	Total differently-abled employees D+E)	5	4	1
Differently-abled Workers				
4	Permanent (F)	0	0	0
5	Other than Permanent (G)	1	1	0
6	Total differently-abled workers (F+G)	1		

**19. Participation/Inclusion/Representation of women**

	No. and percentage of females		
	Total (A)	Number (B)	Percentage of females % (B/A)
Board of Directors	6	3	50%
Key Management Personnel	3	0	0



**20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	FY 2021 (Turnover rate in current FY)		FY 2020 (Turnover rate in previous FY)		FY 2019 (Turnover rate in the year prior to the previous FY)	
Permanent employees	Male	Female	Male	Female	Male	Female
Regular management	2596	232	2604	239	2700	218
Resignation	183	29	146	19	207	30
%	7.05%	12.50%	5.61%	7.95%	7.67%	13.76%

	FY 2021 (Turnover rate in current FY)			FY 2020 (Turnover rate in previous FY)			FY 2019 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent workers*	0	0	0	0	0	0	0		00

\*Note: No resignations for worker category

**V. Holding Subsidiary and Associate Companies (including Joint ventures)**

21. (a) Names of holding /subsidiary/associate companies /joint ventures

Not Applicable.

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act 2013: (Yes/ No)

Yes.

(ii) Turnover (in Crore) : ₹ 6,934.00

(iii) Net Worth (in Crore) : ₹ 4,045.19

## VII. Transparency and Disclosures Compliances

### 23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (if yes, then provide web-link for grievance redress policy)	FY 2021 Current financial year			FY 2020 Previous financial year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities							
Investors (other than shareholders)							Nil
Shareholders		151	0		67	0	
Employees and Workers (includes former employees)	Yes. The grievance redressal mechanism consists of immediate reporting manager, representatives of recognized Union, Dedicated Industrial Relations Managers, Welfare officers and HR Business Partners at each factory locations.	31	10	Grievances are addressed with mutual discussion in an informal way	24	4	Grievances are addressed with mutual discussion in an informal way
Customers	Yes	4086	399	Percentage of customer complaints which are open in the CCRP system and awaiting completion as at the end of the year (as on 31st December of 2021) is 0.34%	3622	138	Percentage of customer complaints which are open in the CCRP system and awaiting completion as at the end of the year (as on 31st December 2020): 0.18%
Value Chain Partners		4	1		4	1	
Others* (Anonymous reporters or others who do not fall under above categories)		14	6		12	6	
		51	18		41	12	

Note: \*these cover anonymous complaints which were investigated by the appropriate internal investigation team. Above tables report on cases reported and closed during the year



## 24. Overview of the entity's material responsible business conduct issues

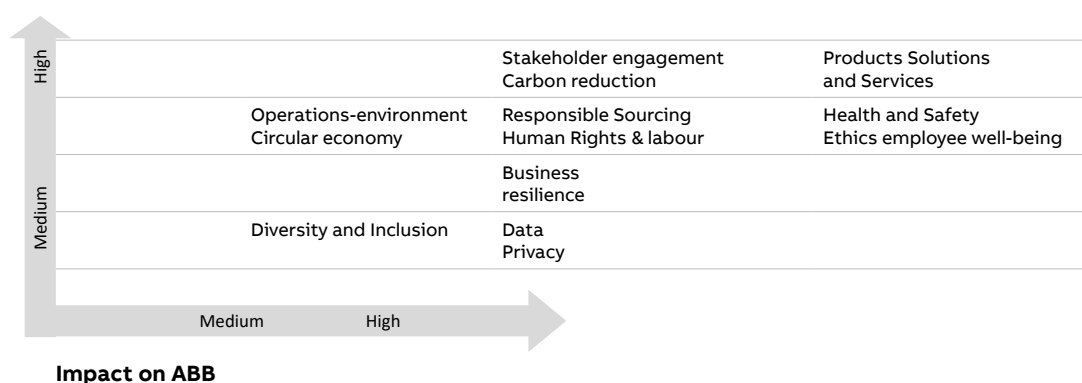
Please indicate material responsible business conduct and sustainability issues pertaining to environment and social matters that present risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Stakeholder engagement	Opportunity	Opportunity to engage and seek stakeholder inputs to integrate not business practices as appropriate	Have stakeholder engagement process set that is followed. The company has a continual stakeholder engagement process	Positive
2	Carbon reduction	Opportunity	Opportunity to move towards energy efficiency, fuel switching, combined heat and power, use of renewable energy, and the more efficient use and recycling of materials and address climate change	Several initiatives are underway internally to focus on carbon reduction and address efficiency and overall reduce emissions and address climate change	Positive
3	Products Solutions and Services	Opportunity	Opportunity towards improving products and services and from the sustainability aspects, address aspects of resource conservation, energy and climate change aspects	Internalized with R&D and all aspects of product and service management aspects	Positive
4	Operations-environment	Opportunity	Opportunity to bring in resource conservation and reduced costs along with mitigating negative impacts of non-compliances	All environmental compliances are met through a compliance tool and operational improvements undertaken to address key KPI under environment	Positive
5	Circular economy	Opportunity	Opportunity, circular economy can bring opportunities and positive impacts across industry. Make better use of finite resources, reduce emissions, Protect human health and biodiversity and Boost economies. Create more and better jobs.	Addressing circular economic cases that can aid the Company and have resource conservation and multi stakeholder co-ordination to achieve sustainable impacts	Positive
6	Responsible Sourcing	Risk	To positively manage responsible sourcing, across the supply chain and to seek voluntary commitment by on account social and environmental considerations including aspects of child, forced and bonded labour when managing their relationships with suppliers and lack of it can have non-compliance and reputational risk for the Company	Has programs and practices to review and handhold suppliers to adhere to sustainable practices and bring supply chain sustainability into mainstream	Negative
7	Human Rights & labour	Risk	Responsibility to identify and manage Human Rights risks in its operation and supply chain and mitigate from adverse risks and consequential damages	Have Human Rights policy and detailed process set along with due diligence procedures to evaluate Human Rights risks at all levels of operations	Negative
8	Health and Safety	Risk	Managing safety and health is an integral part of managing a business. Businesses need to do a risk assessment to find out about the hazards and risks in their workplace(s) and put measures in place to effectively control them to ensure these hazards and risks cannot cause harm to employees and workers.	Several initiatives and programs have been insisted to address all aspects of managing health and safety and closely monitored for continual improvements. The "ABB Way". The Group HSE/SA global management system continued to be a key element for its sustainability governance framework and being the single standard system based on internationally recognized sustainability standards, principles and commitments including ISO 45001 (OHSMS) and ISO 14001 (EMS)	Negative
9	Ethics	Risk	Ethical behavior is acting in ways that are consistent with how the company views moral principles and values. Lack of adherence can have reputational risks arising out of lack of integrity, organizational relationship problems, conflicts of interest, and misleading advertising.	ABB has a very stringent policy on ethics and Integrity that applies to all. The ABB Code of Conduct provides a framework for employees and stakeholders to put business principles into practice with utmost integrity. Compliance is monitored and non compliance is strictly taken action upon.	Negative

10	Employee well-being	Opportunity	Employee well-being is critical to the Business operations and productivity and overall responsibility of the Company to manage well-being aspects of its critical stakeholder	Well-being initiatives have been undertaken for employees and workers. Some of the flagship programs include executive medical check-up for employees, wellness and mental health external continuous services, health related services at Occupational Health centers	Positive
11	Business resilience	Risk	Business resilience is an enterprise-wide aspect that encompasses crisis management and business continuity, and the need to respond to all types of risk that an organisation may face, from cyber threat to natural disaster, and much else besides.	The Company has a crisis management tool and protocol and systems to address and manage crisis including disaster aspects that has significant consequences.	Negative
12	Diversity and Inclusion	Opportunity	The company is powered by the diverse perspectives, skill sets and life experiences of their employees. To tap into the full potential of human diversity, the company looks at diversity and create an inclusive working culture underpinned by a fundamental sense of belonging, fairness and equity, enabling people to bring their 'full self' to work and achieve operational efficiency	The company has D&I focus with actionable plan to include diversity and inclusion in every way The ABB Sustainability targets doubling the number of women in senior management roles to 25 percent, and to have a comprehensive diversity and inclusion framework.	Positive
13	Data privacy	Risk	Risk as non-compliance aspects. Laws global and local require strict adherence with respect to data privacy	At ABB respecting personal data protection rights is a priority. ABB has adopted global data protection standards to ensure a standardized and high level of protection of Personal Data which is processed by ABB Group Companies worldwide. ABB respects personal data protection rights and is a priority. ABB has adopted global data protection standards to ensure a standardized and high level of protection of Personal Data which is processed by ABB Group Companies worldwide.	Negative

At ABB, the sustainability focus areas were determined through a thorough materiality analysis of the expectations and requirements of key stakeholder groups, including customers, Government, civil society representatives, analysts, suppliers, local communities and others. This exhaustive exercise was carried out in the previous year at the Group level. The materiality matrix is subjected to regular reviews. Through meaningful dialogue and close co-operation with key stakeholder groups, ABB works to shape and hone ABB's positions and policies to reflect the full range of our stakeholders' perspectives. In 2020, ABB conducted a comprehensive external stakeholder engagement process. The goal was to review stakeholder expectations and develop a qualitative basis for each business' materiality matrix. This process, which was completed in the first half of 2020, contributed to the creation of ABB's 2030 sustainability strategy and following are material issues identified through multi-stakeholder global engagement process:

#### Relevance to Stakeholder





## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principle and Core Elements.

[illegible]

#### 10. Details of Review of NGRBCs by the Company:

[illegible]

**11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency?**  
(Yes/ no). If yes, provide name of the agency  
No

**12. If answer to question (1) above is "No" i.e not all Principles are covered by a policy, reasons to be stated:**  
**Not Applicable**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

#### Fostering a culture of integrity

The Company is committed to fostering a culture where integrity is woven into the fabric of everything the Company does. Integrity is embedded in its people, businesses and processes. Non-compliant behavior is simply not an option. There are standards of behavior that the Company expects of its employees and business partners. The Company in line with the ABB Group has a robust compliance and integrity program. It has developed and implemented a systematic approach designed to prevent, detect, and resolve any potential integrity concerns. 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. This is supported by tools and processes and a zero-tolerance policy for any violations.

The Company's integrity program in line with the ABB Group has created an environment where all of its employees can be open about identifying risks, asking questions, and raising concerns. Integrity and transparency are the center of ABB's governance framework which is underpinned by five integrity principles in the updated Code of Conduct (CoC), which serves as the guide to do the right thing and follow the law, act honorably and treat each other with respect - and never retaliate against those who speak up. These policies apply not just to employees but also suppliers, partners and customers, who can all raise concerns at any level of the organization.

The Company emphasizes on the importance of fostering an inclusive culture that allows employees to exercise their voice and speak up when they have questions or concerns. The company understands and provides a culture of transparency to speak up and empowers everyone to work with utmost integrity, stand up to wrongdoings and other unacceptable practices, and be the cause for change. Along with the four values of Courage, Care, Curiosity and Collaboration, ABB's Code of Conduct (CoC) has five integrity principles that provides a guide to everyday behaviors of all the Company's employees. The CoC has been adapted to be available on mobile. The ABB CoC is also the foundation of its commitment to ethical behavior and Human Rights.

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. There is a thorough integration strategy in place 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-acknowledgement 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 anti-trust 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 you hear the recorded message, dial the number 800-662-7219, or email to [ethics.contact@ch.abb.com](mailto:ethics.contact@ch.abb.com)). Web-based reporting is 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).

The Company, during the year, continued its efforts to communicate and provide training and awareness sessions to its employees on key ABB Group and Company policies on integrity including ABB code of Conduct, Conflict of Interest etc.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:			
Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of the persons in the respective category covered by the awareness programmes
Board of Directors	Undertaken at the time of appointment and familiarized at regular intervals, in each board meeting / leadership discussion as specified in the next column.	<p>Independent Directors of the Company at the time of their appointment are familiarized on the Company's Core Values, Code of Conduct including the purpose and the business it operates in. At each meeting of the Board/ Audit Committee, members also deliberate on key integrity matters that helps to reflect and focus on key strategies. As a part of Board, Audit and CSR agenda, members also discuss various sustainable initiatives of the Company, including regulatory and economic trends in the country.</p> <p>Executive and Non-Executive Directors being part of ABB leadership group, also undergo familiarization on various topics like integrity, sustainability, Human Rights, diversity and inclusion etc. at a group leadership level.</p> <p>As a result of all the above awareness, strong brand and governance framework is put in place, which is helping us to become a more focused, successful and value-creating Company.</p>	100%

Key Managerial Personnel	1	Topics pertaining to Integrity and Ethics, Core Values and Code of Conduct are familiarized. This helps the KMP's to drive the Company's values and purpose in all key business activities.	100%
Employees other than BoD and KMPs	917 4000	Integrity awareness covering Code of Conduct, Anti-Trust, GDPR and Respectful workplace.  Awareness by way of periodical internal communication on sharing Integrity cases and action taken/lessons learnt are covered through Straight Talk	32% 100%
Workers*	1187	ABB Code of Conduct	100%

Note\* Training on integrity and ABB code of conduct is imparted to all workers across locations through face to face/ classroom sessions

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions in the financial year, in the following format.

(Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
NGRBC Principle	Name of regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/no)
Penalty/fine		NIL		
Settlement				
Compounding fee				
Non-Monetary				
NGRBC Principle	Name of regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/no)
Imprisonment		NIL		
Punishment				

3. Of the instancing disclosed in question 2 above, details of Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy if yes, provide details in brief and if available please provide a weblink to the policy.

The Company has Code of Conduct where anti-corruption or anti bribery is covered.

Weblink: <https://search.abb.com/library/Download.aspx?DocumentID=9AKK107680A7765&LanguageCode=en&DocumentPartId=&Action=Launch>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption

	FY 2021 (current Financial year)	FY 2020 (Previous Financial Year)
Directors		
KMPs		NIL
Employees		
Workers		

#### 6. Details of complains about conflict of interest

	FY 2021 (Current Financial year)	FY 2020 (Previous Financial Year)
	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors		
Number of complaints received in relation to issues of conflict of Interest of the KMPs		NIL

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest  
Nil

#### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any principles during the financial year: In the Company's Supplier code of Conduct and general terms and conditions, the Company has emphasized on all integrity aspects which are applicable to all suppliers.

Total number of awareness programmes held	Topics /principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
To be started from 2022 such as ABB Code of Conduct Supplier Code of Conduct, Conflict of Interest, Data Privacy etc,		

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.  
Yes.





## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Innovation and Research

Each year, the ABB Group invests significantly in research and development. The research and development focus on developing and commercializing the technologies, products and solutions that are of strategic importance for the future growth of the organization. Out of approximately 7,000 employees in research and development, more than 60 percent are focused on software and digitalization all at the ABB Group level with R&D activities also at the Business and country level at the Company.

### Essential Indicators

The ABB Group R&D activities are spread across seven countries, and the central corporate research centers bring together an international team of highly skilled scientists. In addition to continuous product development, and order-related engineering work, ABB develops platforms for technology applications in its businesses in research and development laboratories, which operate on a global basis. The organization seeks to maintain a balance between short-term and long-term research and development programs and optimize its return on investment. It protects the results of its R&D by holding patents, copyrights and other appropriate intellectual property protection.

To complement the business-focused product development, the businesses invest together in collaborative research activities covering topics such as artificial intelligence, software, sensors, control and optimization, mechatronics and robotics, power electronics, communication technologies, material and manufacturing, electrodynamics or electrical switching technologies. The organization has several collaborations with Universities which are incubators of future technology. It has partnered with more than 100 leading universities and research institutions around the world to build research networks and foster new technologies. The result of the investments in research and development is that ABB is widely recognized for its world-class technology. Technology has been deeply embedded in its DNA since its founding and has carried the organization through its century-long history and a reason for customers and partners turn to ABB for help on their biggest challenges. The focus has been on R&D and Capex investments that help improve environmental and social impacts. ABB works to increase its portfolio of energy-efficient products, through its own R&D and through collaborative partnerships and acquisitions. It is estimated that 70-80 percent of the ABB Group R&D budget goes to products, systems and services that help customers reduce their GHG emissions.

ABB and the Company have processes to upgrade and reuse robots; for recycling of electric motors; and has processes in place on to meet EU WEEE legislations. Life Cycle Perspective is mandatory in all product development in ABB, while producing a formal LCA is not mandatory. ABB is doing increasingly more life cycle assessments for its products, following renewed interest from customers. From a product stewardship perspective, the 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 Life Cycle Assessment (LCA) procedure for select products are done at the Group level. 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. LCA and EPD are co-ordinated and reached at the ABB Group level. Thus far the ABB Group has conducted for over 70 ABB products, and these also have environmental product declarations (EPD). EPD's 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. LCA's and EPD's are coordinated and reached at the ABB Group level.

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of products and processes total R&D and Capex investments made by the entity, respectively:  
NA

#### 2.a. Does the entity have procedures in place for sustainable sourcing? (Yes/no)

Yes. Responsible sourcing has been an area of focus for many years, with a series of policies and programs in place to strengthen performance and partnerships in the supply chain. The issue has been prioritized in ABB's Sustainability objectives and commits the Company to understand and manage well the social and environmental risks and impacts of sourcing practices. Through collaboration with its business partners, the Company aims to enhance supplier relationships, ensure the highest quality standards and create a sustainable supply chain. With a large and complex supply chain, this is a considerable

undertaking, but it is central to business success. Efforts are underpinned by governance measures such as the ABB Supplier Code of Conduct and global initiatives like the Supplier Sustainability Development Program.

- b. If yes, what percentage of inputs were sourced sustainably?

Not Available

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?  
Refer to above - Innovation and Research section on LCA perspective
2. If there are any significant social or environmental concerns and /or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same: Nil

### Supply chain sustainability

Responsible sourcing has been an area of focus for many years, with a series of policies and programs in place to strengthen performance and partnerships in the supply chain. Through collaboration with business partners, the Company aims to enhance supplier relationships, ensure the highest quality standards and create a sustainable supply chain. Efforts are underpinned by governance measures such as the ABB Supplier Code of Conduct and global initiatives like the Supplier Sustainability Development program. The ABB Supplier Code of Conduct (SCoC), published in multiple languages, clearly explains the requirements with regard to areas such as Human Rights, fair labor conditions, business ethics, health & safety and environment & material compliance, as part of ABB's general terms and conditions from its existing and potential business partners.

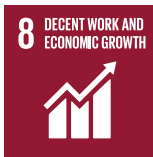
In 2021, the Company transitioned its successful Supplier Sustainability Development Program (SSDP) to Sustainable Supply Base Management (SSBM). In the new SSBM, it has targeted to address the sustainability topics at each stages of supplier life cycle management and considered as 'beyond audit/compliance' approach. In the new structure business is at the driver seat compared to earlier corporate approach.

During new supplier registration stage, the supplier commits to adhere to the Company's Supplier Code of Conduct. In supplier qualification stage the supplier needs to answer a self-assessment questionnaire which focuses on various sustainability aspects including other business requirements. Depending on the result of this self-assessment and other important parameters, further due diligence is implemented. Once the supplier is part of its supply base then a risk-based approach is followed for monitoring their sustainability performance. This is like the earlier SSDP where the Company engages with the selected suppliers for training, onsite assessment & follow up audits till closure of all findings.

The continued Covid-19 pandemic thrown uncertainties around travel, factory operations, lock downs & shutdowns and impacted overall supply chain in many ways. The Company has calibrated its SSBM assessment approach to a hybrid model of onsite assessment & remote assessment by using digital tools & technologies based on local situation. This was a shift from traditional assessment method to a new and agile model. Continuous communication, quick response to the dynamic situation and the adaptability to the new model have helped the Company to manage the overall program effectively.

In the new resilient SSBM model, ABB continues to train, coach, and assess selected high-risk suppliers on sustainability topics. Every year new risks are identified, and earlier ones are closed. Closure timeline of such risks vary from a month to a year depending on the severity of findings. Some complex issues may require a joint effort to resolve with longer timeline. Due to the ongoing identification of new risks and the time required to mitigate them, the closure rate of identified risks can never be 100 percent, despite best efforts. During the year at the Company, 11 suppliers have been trained on sustainability requirements. 22 suppliers were assessed for such requirements during 2021.

This program helped the participating suppliers identify and 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 2010 to 2021, before and after corrective actions under the SSBM). In 2021, 01 supplier who did not show commitment to fulfill the requirements of the Supplier Code of Conduct was blocked. Business with these suppliers can only resume after they have demonstrated compliance with the ABB Supplier Code of Conduct.



## PRINCIPLE 3 Businesses should respect and promote the well-being of all employees including those in their value chains

The Company's Human Resources (HR) is all about people - from leadership, performance and talent development, to rewards and career opportunities. The Company's HR colleagues seek to create competitive advantage by dedicating resources to attracting, developing and retaining talented individuals who are diverse, care about others, collaborate well, are curious and have the courage to innovate every day.

### Caring for its employees

The safety of its people and assets are a priority, embedded in the Company's core values. The Company remained focused on this priority even during the pandemic and continued its focus on established safety programs across factories, offices and among the service teams. The Company focused on assisting and encouraging employees, business teams, vendors and various stakeholders on adhering to practices for human safety and safe working conditions. With the pandemic that continued to hamper activities urged the Company to continue its focus on health and safety of its employees.

Country task-force and location task-forces were established, which met daily to take stock and review the pandemic situation including applicable guidelines, Government directives and took key decisions including assistance to employees in terms of critical care and medical requirements arising out of the pandemic.

The Company prepared Covid-19 control guidelines, self-declarations forms, travel restriction guidance notes. Set protocols were constantly reviewed and communicated to its employees at regular intervals. A Covid-19 repository on the Company's intranet ensured all resources and information were collated at a single point for ready reference of employees. Vaccination of employees and contractors was a focus along with Covid appropriate behavior to keep the Company's workforce safe. Efforts were pre-dominantly around awareness creation and on communicating the need for vaccination. Vaccination camps were organised at the Company's premises that enabled its employees to voluntarily opt and get themselves and their immediate family members vaccinated for Covid-19. A total of around 40 vaccination drives spread across locations were conducted resulting in around 10,000 number of employees and contractors being benefitted from these drives. Several mental and well-being training programs directly by the company and also through third party services providers on-boarded were rendered to all employees

The Company's safety performance showed clear, sustained improvements, fully supporting the HSE/SA global management system - "The ABB Way". The Group HSE/SA global management system continued to be a key element for its sustainability governance framework and being the single standard system based on internationally recognized sustainability standards, principles and commitments including ISO 45001 (OHSMS) and ISO 14001 (EMS). In the current year, risk based internal audits and self-assessments were carried out to review compliance for continual improvement.

The Intelx, a cloud-based software system was continued for environment, health, safety, and security incidents reporting management. The Company in line with the ABB Group initiative followed the Electrical Competency Authorization Program (ECAP). This program defines four levels of electrical competency and the requirement of local business line managers to authorize employees to perform work defined at each level of competency. Currently ECAP has been deployed and the implementation completed with full feature scope and is being strictly followed by all ABB's businesses.

The Company takes the management of HSE & Security risks very seriously and aims to reduce risks to the lowest practicable level and, wherever possible, eliminate those risks. In line with the HSE/SA management standards the Company has developed a risk management procedure called Activity Based Risk Assessment (ABRA) that aims to protect people, the environment and its business from harm and is essential in assuring a successful and responsible business operations. In line with the ABB Group, it has adopted a simple 5 phase approach to managing HSE & Security risks at all levels, which allows its risk owners to make good decisions based on sound risk assessments. The overall aim is to make risk assessment a business improvement tool, not just a HSE & Security tool. The risk management process delivers the following:

- I. Process Improvement - A simple 5 phase Standardized approach to risk management
- II. Efficient - Eliminates excess paperwork and duplication to reduce complexity
- III. Quality improvement - Focusing on what really matters (quality vs. quantity)
- IV. Performance improvement - A focus first on truly controlling and eliminating risks – not mitigating against them once they have been realized
- V. Accountability - owned by managers, conducted and supported by the workers



The Company apart from its Group safety systems and directives has also adopted country governance models and assessment tools for safety established such as The Safety Task Assessment Risk Reduction Talk (STAART) meetings were effected that captured feedback from employees and shopfloor workers and has helped the Company to report and resolve inherent hazards in turn helping to reduce incidents numbers year after year. The Company's HSE team continued its regular activities in terms of management of the global HSE management system across the businesses. Continued importance on hazard resolution, behavior-based safety and leading from the front. Due to the ongoing pandemic in the year, the Company's flagship behavioral safety implementation program by people managers (SOT) was severely impacted. Being a technology driven Company, it quickly revamped its capabilities and conducted SOTs digitally and has clocked a total of 5601 SOTs and the program has sustained even with virtual SOTs in the year indicating the ease and the fast adoption of digital means to continue its focus on safety even during the pandemic.

The Company continued to follow and have its efforts to address service safety and safety for engineers across its customer sites. Remote monitoring and adherence to safety protocol and permits were strictly followed. Safety of employees visiting customer sites for service and to attend Annual Maintenance Contracts (AMC) was a challenge during the pandemic. Continued support from the business and strict adherence to the protocols by the teams was encouraging as there were no cases reported while making sure continued customer focus and business continuity.

Several initiatives to address physical and mental well-being of its employees continued to be driven all along. The Company has an online 24/7 Telemedicine and employee assistance program services set up and these were extensively used by employees during the pandemic serving as an online counselling, advisory platform, to deal with anxiety associated with the pandemic and for other personal, mental, and health related issues and guiding employees in need. Covid-19 care packages were also provided to employees and their family members to get timely advice on various health issues without visiting hospital and 14 days monitoring by the Company's physician and nutritionist for Covid-19 positive cases was organized.

Health awareness and health promoting programs continued to be rendered by occupational health professionals of the Company on various platforms. During the year, they also provided frequent updates on the Covid-19 virus its strains, potential impact and Covid-19 appropriate behaviour and precautions and treatment options.

## Essential indicators

### 1.a. Details of measures for the well-being of employees:

Table 1: Measures for the well-being of employees												
Category	% of employees covered by:											
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits availed		Day Care facilities***		
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
Permanent employees												
Male	2636	2636	100.00%	2636	100.00%	4		95	3.60%			
Female	257	257	100.00%	257	100.00%							
Total	2893	2893	100.00%	2893	100.00%							
Other than Permanent employee (workers)												
Male	1108	335	*	1108	100.00%			30				
Female	79	3	*	79	100.00%							
Total	1187		**	1187	100.00%							

Note:\*\*\* Due to the pandemic day facilities were closed.

\* 338 number of individuals are covered Self-funded scheme full reimbursement from Company

** Male	707	Covered under ESIC
** Female	52	Covered under ESIC
	759	
** Male		Apprentices not under any health insurance scheme
	66	
** Female	24	Apprentice
Total	90	

**2. Details of retirement benefits for Current FY and Previous financial year**

Benefits	FY 2021 Current financial year			FY 2020 Previous financial year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	99.83	92.42	Yes	99.83	93.19	Yes
Gratuity	97.17	28.48	Company contribution	99.18	35.11	Company contribution
ESI	0.00%	65.12%	Yes	0	58.32	Yes
Others- please specify						

**3. Accessibility of workplaces**

Are the premises/offices of the entity accessible to differently-abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company is committed to promote and to have an inclusive and diverse workforce. Diversity and inclusion are aspects consistently focused on by the Company and hence aspects of accessibility and equity are equally important and are considered. All the Company's existing and new infrastructure has a comprehensive plan to address accessibility of workplaces especially for differently-abled people. Work areas, rest rooms, common areas and areas for movement in and around facilities have been designed with all accessibility aspects in mind.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

The Company is an Equal Employment Opportunity (EEO) and Affirmative Action Employer encouraging diversity in the workplace. All qualified applicants will receive consideration for employment without regard to their sex, gender identity, sexual orientation, race, color, religious creed, national origin, physical or mental disability, protected veteran status, or any other characteristic protected by law.

Website: <https://careers.abb/global/en/equal-employment-opportunity-and-affirmative-action>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Non-Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	N.A	N.A
Female	100%	100%		
<b>Total</b>				

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Employees can report their concerns initially to their direct management, country integrity officer, country human resources manager, or alternatively, through their country specific Business Ethics Helpline number. All stakeholders that have a business relationship with ABB have multiple communication channels: Telephoning the ABB stakeholder helpline at + 41 43 317 33 67 (international call rates apply). This service is provided by an independent third party and is available 24 hours a day, 7 days a week. Reports can only be made in English which can be tracked. Communication can be made also through a web portal- <https://abbgroup.ethicspoint.com>

Yes/No (If yes, then give details of the mechanisms in brief)	
Permanent Workers	
Other than Permanent Workers	
Permanent Employees	Yes (as above)
Other than Permanent Employees	

**7. Membership of employees and worker in association(s) or unions recognized by the listed entity:**

The Company has several unions at its factory locations representing workmen. All permanent workmen are members of the unions and are covered and governed by Collective Bargaining Agreements signed with respective locations. The list of locations with unions and with the names of the Unions are as below:

1. Bangalore Location – ABB Employees Union
2. Faridabad Location – Hindustan Electric Union
3. Nashik Location – Association Engineering Workers
4. Vadodara Location – HBB Staff Association and ABSA Employees Union

**8. Details of Training given to employees and workers:**

Category	FY 2021 (Current Financial year)				FY 2020 (Previous Financial year)					
	Total (A)	On Health and safety measures		On skill upgradation*		Total (D)	On Health and safety measures		On skill upgradation	
		No (B)	% (B/A)	No (C)	% (C/A)		No E	% (E/D)	No (F)	% (F/D)
Employees										
Male	2573	2146	83%		1540	845	55%			
Female	316	216	68%		156	74	47%			
Total	2889	2362	82%		1696	919	54%			
Workers (Contract employees)										
Male	2471	2372	96%		1024	945	92%			
Female	156	125	80%		53	47	89%			
<b>Total</b>	<b>2627</b>	<b>2497</b>	<b>95%</b>		<b>1077</b>	<b>938</b>	<b>87%</b>			

Note:\* Several skill upgradation programs have been taken up by employees on HSE

**9. Details of performance and career development reviews of employees and worker.**

Throughout the year, line managers and employees regularly review and discuss performance, development and career path for all employees. This dialogue in which the Company seeks to align its employee interests and business needs. Outcomes of ongoing conversations is agreed upon as a development plan and key development actions for the employee to build and develop on. All employees undergo this career development reviews. ABB uses a SAP based group HR Tools solution for managing the Performance and Development Appraisal process. This solution is implemented as a global process. The PDA Administrator has a role to play in the Performance and Development Appraisal Process and has the following performance processes;

- Launching the annual appraisal and informing the employees
- Monitoring and supporting the whole process throughout the appraisal cycle
- Reviewing the final appraisals country wide for compliance purposes (reporting function)

With regards to worker category, they are covered under by the long-term settlement/ collective agreements with the unions.

**10. Health and safety management system**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system:

Yes. The Company is committed to putting HSE/SA at the center of all its activities, including materials sourcing, product design, operations and services. In addition to fulfilling its compliance obligations to legal and other requirements, it is committed to:

Provide safe and healthy working conditions for the prevention of incidents and work-related illness.

- Protect and prevent undesired effects on the environment, increase resource efficiency, including energy, water, materials, and support efforts to combat climate change.
- Ensure the availability of information and invest to achieve its objectives and targets.
- Promote a “Don’t look the other way” culture to raise awareness, ownership, report unsafe behaviors, engage employees and recognize good practices.



**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2021 Current financial year	FY 2020 Previous financial year
Lost Time Injury Frequency Rate (LTIFR) (per one million -person hours worked)	Employees	0.01	0.03
	Workers	0.07	0.06
Total recordable work-related injuries	Employees	3	6
	Workers	6	4
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace**

Aligning with the global directives and at the same time taking into account the on-ground behavioral pattern / training needs, it has implemented an HSE/SA management system based on internationally recognized sustainability standards, principles and commitments:

- The HSE/SA governance defines its policy, organization and standards to meet its objectives. It updates these items regularly to ensure that its governance consistently embodies its values and strategic direction.
- The initiative named ABB & You defines its individual roles and responsibilities and secures the necessary resources for the implementation and maintenance.
- Planning & risk analysis identifies opportunities to eliminate hazards, and to reduce risks and adverse impacts.
- Competence, communication & support: It aims provide training, information and support to ensure good participation and consultation of colleagues for ideas and effectiveness of its programs
- Operations specify adequate risk controls and manage change.
- Monitoring & measurement assesses the status of operations and objectives and drives priorities and performance.
- Learning from experience ensures that shares good practices and support continuous improvement of its HSE performance.

**13. Number of Complaints on the following made by employees and workers:**

Complaints on the following made by employees and workers

FY 2021 (Current Financial Year)			FY 2020 (Previous Financial Year)		
Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil		Nil		
Health and Safety	Nil		Nil		

**Diversity and Inclusion (D&I)**

A culture of diversity, inclusion and equal opportunity is critical to its business success and makes it stronger. The Company strives for a culture where individual differences are not only welcomed but celebrated. The Company seeks to create an inclusive environment where everyone feels safe, treated with respect, and can succeed. The four values, Courage, Care, Curiosity, and Collaboration guide and shape the actions of the Company and interactions with each other, its customers, partners and society as a whole.

The Company's D&I journey at ABB began with a focus on gender and has expanded to include LGBTQ+, abilities, generations, and ethnicity. Underscoring all of these areas of diversity is an appreciation for diversity of thought. The Company has conducted 16 sessions covering 382 ABB India leaders on interrupting "Unconscious bias" to build an inclusive culture.

**Diversity Dimension: Gender**

The Company has successfully conducted its flagship Women Leadership program called RISE and so far 91% of the participants have completed the program since its launch in 2019. The Company has also designed a unique program called "With her, beside her" collaborating with its CSR team and external partner focused on women education skilling and empowerment. This program is designed to help elevate the impact of women – enabling them to navigate the business landscape, the social challenges, develop and leverage their talents, and step into roles of greater influence. Part of this initiative mentor - mentee [program has been rolled out to build a peer network for collegial learning as well

as gain exposure to different ABB leaders and speakers. There are 33 mentors in this program from the Company and 41 mentees who are underprivileged yet meritorious engineering students who are connected and this was successfully launched during the year.

Diversity Metrics	Company % current year 2021	Previous year 2020	Target 2020
Diversity %	15.4%	14.3%	15%

#### Diversity Dimension LGBTQ+

This year the Company has approached this aspect by first bringing sensitization workshop for all leaders at the top. Approx. 250+ leaders have been sensitized in the last quarter of 2021. The company has created a pool of 30 trainers within this organization so that they can continue our sensitization program for all individual contributors and to the new hires on this dimension. The Company has also introduced the concept of Gender-neutral washrooms in all its office locations all over India.

The Company has introduced the concept of parental leave policy as well during the year.

#### Dimension of Specially-abled

This year the Company focused on the inclusion of the specially-abled people and worked towards enhancing access of the socially abled within the organization. The Company has conducted 4 differently-abled awareness workshop covering 160+ leaders from all the business of the Company.

#### Specially-abled hire status - Dimension of Generations

Born	Born Year	Age Group	Count	Percentage
Gen Z	1997 – 2012	9 – 24	227	3%
Millennials	1981 – 1996	25 – 40	4776	70%
Gen X	1965 – 1980	41 – 56	1678	25%
Boomers II	1955 – 1964	57 – 66	102	2%

#### People Development

People Development is an integral part of the Company's vision to become a world-class learning organization known for developing new age leaders and to strengthen ABB's ability to achieve goals by developing exceptional leaders and grooming the employees. The Company underwent a change in the learning approach for leadership creating focused learning for employees. As the Company moves from a centralized to a decentralized model, there were two wings of People Development that emerged. First, the individual Business Talent and Learning extensively focused on that business area and the other is Corporate Leadership Learning Ecosystem team (LLE) which focuses on strengthening and developing the leaders, while, the learning offer to Critical Soft Skills (CSS), Customized-Targeted Learning Programs (CTLP) and Soft Skills Development (SSD) programs continued to enhance the learning path. The LLE is targeted towards leadership skills, for developing a high performing team, building relationships, integrating leadership and management, building collaborative culture and driving innovative change, thus creating a learning ecosystem. Hi-potentials, first line managers, middle managers, senior leaders and executive leaders are part of these programs. CSS programs are extensively focused on skills like, Agile learning, Language training, Diversity & Inclusion and Digitalization. CTLP is targeted for High potentials in the organization by giving them an outside-in perspective and involves internal and external learnings. 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 continued the momentum of initiatives like:

- AMEA Classroom in The Air (CiTA) which focused on different topics of which is a continuous learning resource for all the employees in AMEA for which employees could join on voluntary basis
- Focused learning experience for HR Business Partners (FLEX) thus enabling them as a strategic partners
- Wednesday Learning Snippets (FWLS) e-Learning via Learning Management System (LMS) was incepted covering all employees
- Other initiatives of LEAD and RISE continued the momentum in 2021
- Apart from these learning programs, Organizational Development (OD) interventions like Building Connect, Change Management, Feedback Giving & Receiving, Leadership Learning Series and Mentoring, were customized and catered as per business needs

The LLE was highlight of 2021 as the Company partnered with Harvard Business to create learning pathways for managers using two platforms 'Harvard Managementor' and 'Harvard Spark'. Apart from this the learning also included tailor-made programs on the Company's core value of Courage, Care, Curiosity and Collaboration.

Though the pandemic situation continued, there were lot of virtual programs facilitated covering ~2369 employees (~83% of total head count). The learning was recorded at 65,824 person hours overall marking 2.9 person days of learning, which means, every employee in the Company went through approx. 23 hours of learning in 2021.

The Company focused on several general training and skilling programs for its employees details as below:

Category	FY 2021 (Current Financial year)					FY 2020 (Previous Financial year)				
	Total (A)	General Training		On overall skill upgradation		Total (D)	General Training		On overall skill upgradation	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Male	2619	302	11.5%	1823	69.6%	2663	2558	96.1%	1534	57.6%
Female	226	49	21.7%	195	86.3%	253	192	75.9%	245	96.8%
Total	2845			2369	83.3%	2916			4529	155.3%



## PRINCIPLE 4: Businesses should respect the interests of and be responsive of all its stakeholders

### Listing to and engaging with stakeholders

The Company has a wide variety of stakeholders and engaging with them helps the Company understand their needs and supports its business. In recent years many of the Company's key stakeholders – customers, investors, suppliers, representatives of civil society and employees – have been increasingly asking about different aspects of sustainability performance of the Company. This has helped it to understand its priorities as well as on areas of sustainability that are material to its business success. Detailed consultations with both external and internal stakeholders both at the global and Country level were instrumental in developing the ABB Group Sustainability Strategy 2030.

### Essential Indicators

#### 1. Describe the process for identifying key stakeholder groups:

The ABB Group has produced a systematic approach to holding an effective sustainability stakeholder dialogue. The following are the key identified stakeholders and details of interactions with them by the Company:

Key identified Stakeholders	Details of stakeholder interactions
<b>Business</b>	
Customers	Various customer focused seminar/ events and programs
Suppliers	The SSDP and continuous ongoing interactions with vendors
Investors	Annual general body meeting, quarterly analyst call, one-to-one meetings (need basis), factory visits (on request)
Employees	Various employee welfare programs, ongoing HSE and sustainability programs, and awareness cum training sessions
Competitors	Through industry bodies, associations, seminars, exhibitions and events
<b>Government and Regulators</b>	
Regulators	Meetings and interactions for compliance requirements, permits etc.
Trade bodies	Seminars, conferences and sharing good practices
<b>Civil Society</b>	
International organizations	Partnerships for R&D and CSR activities
Local communities	Ongoing interactions for CSR activities with the communities
Academia and scientific community	Ongoing R&D and educational partnerships, seminars meetings, campus connect programs, and one-to-one interactions
Media	Seminars, meetings, and one-to-one interactions for communication and branding
NGOs and civil society organizations	Partnerships and interactions for implementation of CSR agenda
Trade Unions	Right of all personnel to form and join trade unions of their choice and bargain collectively



### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated how is feedback from such consultations provided to the Board
2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No) If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. In recent years ABB at the Group level has been carrying out surveys with stakeholders that impact its sustainability strategy and priorities as the organizations is going forward. Consultations with both external and internal stakeholders both at the global and Country level were instrumental in developing the ABB Group Sustainability Strategy 2030.

3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.

Women, the elderly, adolescents, youth, and children, persons with disabilities, are some of key vulnerable group identified as they experience the highest degree of socio-economic marginalization. Marginalized people become even more vulnerable in emergencies. These groups have limited capacities and opportunities to cope and adapt and hence the Company has priority to address these groups and gives them priority assistance and engages with institutional partners who work with them. Several programs under the Company's CSR have been implemented to address the above vulnerable groups.



## PRINCIPLE 5 Businesses should respect and promote Human Rights

### Recognizing Human Rights

The Company is committed to support the principles contained within the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Core Conventions on Labor Standards, the UK Modern Slavery Act and other similar laws and principles.

The Company recognizes that respect for Human Rights is an essential principle of our organization and it is an integral part of our ABB Code of Conduct and our ABB Sustainability Strategy 2030.

Respect for the dignity of the individual and for the importance of each individual's Human Rights forms the basis of the behaviors, the Company expects of every individual who works for us, either as a direct ABB employee or indirectly or through its supply chain. The Company does not accept any form of discrimination, harassment or bullying within ABB or its supply chain. To this end we require all of our managers to implement processes designed to ensure equality of opportunity and inclusion for all ABB employees as well as for individuals employed in our supply chain. These include requiring suppliers to take measures to avoid any form of forced, bonded or compulsory labor (or any other kind of modern slavery or human trafficking). Recognizing the extremely complex nature of modern slavery, we continue to emphasize the importance of collaboration and learning from others. ABB engages with Human Rights NGOs and are long-standing and active members of the Global Business Initiative on Human Rights and the UN Global Compact.

ABB has in place a range of key policies and processes that help to prevent child or forced labor within its operations and its value chain. These include the ABB Code of Conduct, ABB Supplier Code of Conduct, ABB Policy Combating Trafficking in Persons, ABB Policy on Conflict Minerals, Human Rights policy, Social policy, our supply chain and contractor questionnaires, as well as internal policies.

Governance has been reinforced at global and local level. ABB has created a Human Rights Working Group including representative from each Business Area to ensure co-ordination and to better embed Human Rights in internal processes.

The role of Human Rights Champion has been defined to build Human Rights knowledge and competences in employees in relevant functions such as marketing and sales, procurement and operations to implement Human Rights programs in respective functions. Human Rights Champions have been also nominated in relevant business countries as expert on human rights.

The emphasis on Human Rights is of utmost priority to ABB and the Group continued to map and improve internal risk identification and risk assessment process, and to expand human rights understanding with new training modules and internal communication.

In 2021 a new Human Rights internal audit plan has been launched, the ABB Supplier Code of conduct revised, a new Third Party Management process is under definition, Human Rights risk analysis has been reinforced at the tender Risk Review. Grievance mechanism and remediation is ensured through the Business Integrity Helpline.

#### Essential Indicators

1. Employees and workers who have been provide training on human rights issues and policy (ies) of the entity in the following format:

All employees are provided with Human Rights training. There are e-modules on the topic on learning management tools. For all new employees who are onboarded, Human Rights awareness is part of the induction session. For worker category face to face/ classroom session on ABB Code of Conduct is done which includes aspects of Human Rights.

2. Details of minimum wages paid to employees and workers in the following format:

As both Central and State Government have authorization over fixing the wages, the State Governments fix their own scheduled employments and further release the rates of Minimum Wage along with the VDA (Variable Dearness Allowance). Wage boards are set up to review and fix minimum wages at specified intervals. The wage rates in scheduled employments differ across states, sectors, skills, regions and occupations owing to a lot of differentiating factors. Hence, there is no single uniform minimum wage rate across the country and the revision cycle differs for each state. However Minimum wages are paid and adhered to by the Company as per the Minimum Wages Act, 1948.

3. Details of remuneration /salary/wages in the following format:

Board of Directors (BoD)	Number	Male		Female	
		Median remuneration /salary/wages of respective category	Number	Median remuneration /salary/wages of respective category	
Key Managerial Personnel	3	20688360	0	0	
Employees other than BoD and KMP	2581	1317000	227	1006000	
Workers	335	945421	3	1596980	

4. Do you have a focal point (Individual/Committee) responsible for addressing Human Rights impacts issues caused or contributed to by the business? (Yes/No)

Yes. To ensure the most salient human rights risks are understood and managed across ABB, the Company has implemented an operating model that brings Human Rights accountability and expertise to all ABB Divisions, beyond the Corporate and the Group level. The Human Rights Working Group aims to amplify Human Rights concerns in everyday decision-making and promote cross-functional collaboration. A growing network of Human Rights champions has been formed and is also proving effective. These internal experts are appointed in diverse functions – from marketing and sales to supply chain management and operations – and trained to identify Human Rights risks specific to their businesses. This set-up enables a more efficient integration of Human Rights principles in business decisions and fosters internal knowledge-sharing. Based on the success to date, the businesses are evaluating ways to optimize the network to cover risks specific to certain countries and regions. The Company focuses on the next phase of its Human Rights plan to reinforce accountability and further strengthen responsible business practices in local operations.

## 5. Describe the internal mechanism in place to redress grievances related to Human Rights issues.

The Company has a number of grievances related to human rights filed, addressed and resolved through formal grievance mechanism. ABB has a number of formal grievance mechanisms, including a third-party run Business Ethics hotline available round-the-clock to internal and external stakeholders, and an Ombuds Program, where employees can report concerns, if they wish, confidentially

## 6. Number of complaints on the following made by employees and workers:

	FY 2021 Current Financial year			FY 2020 Previous financial year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	01	01	Reported case is under inquiry.	02	0	During the year 2020, the Company has received one complaint of sexual harassment where appropriate action was initiated, accordingly the matter stands closed.
Discrimination at workplace (discriminations based on caste, age, gender, ethnic backgrounds, or other factors etc.)	3	3		0	0	The complaints pending resolution at close of the year 2020 were closed in 2021.
Child labour	Nil	Nil		Nil	Nil	
Forced labour/Involuntary Labour	Nil	Nil		Nil	Nil	
Wages	Nil	Nil		Nil	Nil	
Other human rights related issues	Nil	Nil		Nil	Nil	

## 7. Mechanisms to prevent adverse consequences to the complaints in discrimination and harassment cases.

As per the ABB Code of Conduct. Refer to Principle 1 section

## 8. Do Human Rights requirements form a part of your business agreements and contracts?(Yes/No)

Yes. The ABB Code of Conduct includes aspects of Human Rights. All agreements with external stakeholders have to mandatorily adhere and understand to comply with ABB Code of Conduct. All existing suppliers and new suppliers acknowledge the ABB Code of Conduct.

## 9. Assessments for the year

ABB focuses on the next phase of its Human Rights plan to reinforce accountability and further strengthen responsible business practices in local operations. ABB at the Group level has established an effective base for supplier screening, qualification and monitoring. The project screening processes are being strengthened to flag potentially negative social and/or environmental impacts throughout the project lifecycle, in effect allowing ABB to make even more informed decisions. Human Rights criteria such as child labour, forced /involuntary labour, sexual harassment, discrimination and all other Human Rights aspects are encompassed in the risk review process for potential mergers and acquisitions.

Additionally, the company is increasing self-assessments and periodic audits. This internal assessment program for Company's sites covers employees as well as contractors. Also, an analysis of the most salient Human Rights risks is being updated, a process that is essential to determining exposure to potential violations and short- and medium-term Human Rights priorities.

## Leadership Indicators

- Details of a business process being modified/introduced as a result of addressing Human Rights grievances/complaints.  
Yes.
- Details of the scope and coverage of human rights due diligence conducted.  
Yes.
- Is the premise/office of the entity accessible to differently-abled visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016?  
Yes.



## 4. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Sexual harassment	Yes
Discrimination at workplace	Yes
Child labour	Yes
Forced/involuntary labour	Yes
Wages	Yes
Others - Please specify	

## 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessment at Question 4 above.

Not Applicable.



## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Environmental safeguard beyond compliance

The Company has embedded ethical and transparent governance where it ensures strict adherence to the laws of the land. Environment legal compliance management has been considered as a risk and opportunity and addressed with utmost importance. In order to ensure real-time monitoring of legal compliance management, the Company has been using an online monitoring tool. The Company has also provided a robust system to regularly map the emerging regulations to ensure smooth compliance management.

All of the Company's operations comply with the provisions of environmental laws, guidelines, and rules as mandated by the Government of India – Central and State. There were no monetary fines/ penalties for environmental non-compliances paid by the Company during the year.

### Committed towards sustainable business

The Company's sustainability targets 2030 clearly demonstrates its commitment towards creating a sustainable business environment by adopting various eco-friendly practices including addressing and involving its value chain. In order to operate risk-free sustainable business, all of the Company's manufacturing plants have been certified with ISO-14001:2015 and ISO-45001:2018 standards. The Company is also continually improving Environmental, Social and Governance (ESG) performance through group "ABB Way" standards that helps it to enhance environmental and safety performance through more efficient use of resources and reduction of waste, providing safe workplace of employee and contractors along with handholding and gaining the trust of stakeholders & across its value chains.

In line with the ABB 2030 sustainability commitment & targets, the Company is realizing its environment goals through clearly defined 3 milestones-based approach:

- i. Green factory buildings
- ii. Green manufacturing
- iii. Green products

#### i. Green factory buildings related initiatives:

Under Green factory building approach, the Company is further strengthening its existing environment initiatives based on Leadership in Energy and Environmental Design (LEED) & Indian Green Building Council (IGBC) requirements to make all of its plants & offices more sustainable with major focus on:

- Energy management improvement focusing on strengthening monitoring systems, improving lighting efficiency, enhancement utilization of green power, high Solar Roof Index (SRI) for maximum coverage of exposed roof etc.
- Water management optimization with water efficient fixture, reduction of turf & overall irrigation system along with rainwater harvesting with target of 100 percent capturing of rainwater for recharge/use purpose etc.
- Improving overall site efficiency through improved landscaping, provision of electrical charging facilities.

Based on Green factory building related milestone, during the year, one of the Company's plant in Nelamangala was certified for "Platinum Rating" by IGBC along with other locations/projects. The overall status of green factory building certification status is presented as Figure-1.

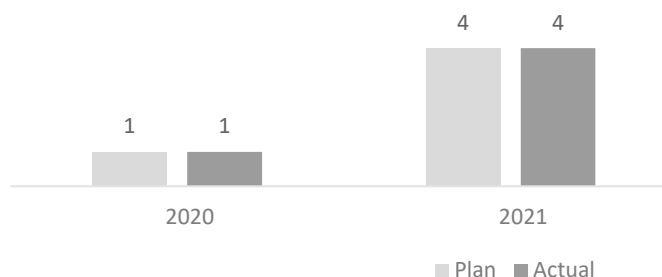


Figure 1: Green Factory Building Certification Status (IGBC/LEED)



## ii. Green manufacturing related initiatives:

Green manufacturing related initiatives focuses ultimately aims towards net zero environmental impacts involving value chain partners as well. Currently various activities have been taken up at the Company's premises to improve the sustainability performances.

### a. Water stewardship through water neutral/positive approach:

The Company is working towards achieving "Water Neutrality/Positivity" through Innovative 6R approach to realize its 2030 sustainability commitment towards resource conservation. The 6R approach includes, Rainwater recharge, Reduction of fresh water, Rainwater use, Recycle treated water, Realtime monitoring of recharge, consumption, Saving & Reassurance through third party agencies.

**Rainwater recharge:** In 2021, rainwater recharge systems were implemented in two of the Company's manufacturing plants through cross wave technology and having recharge well for ground water in line with the requirements of The Energy & Resource Institute (TERI)'s Green Rating for Integrated Habitat Assessment (GRIHA) and the Indian Green Building Council (IGBC) standards.

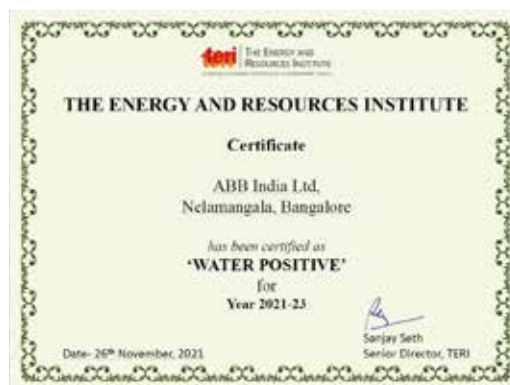
**Reduction of fresh water:** In order to achieve the reduction of fresh-water consumption, the Company is focusing on various improvement of consumption monitoring system, provision of low flow water fixtures, provision of sensors to water taps, reduction in turf area, restriction in use of turf in landscape area, provision of drought tolerant species and provision of efficient irrigation system.

**Rainwater use:** Two of the Company's manufacturing facilities have also installed rainwater collection tanks to collect the rooftop rainwater for domestic purposes. The possibility and implementation for other locations is underway.

**Recycle treated water:** The Company has also provided highly efficient wastewater treatment facility to treat and recycle treated water for process, gardening and flushing utilizations.

**Real-time monitoring of recharge, consumption, saving:** The Company's Nelamangala plant has also provided real-time monitoring of rainwater recharge quantity along with installation of water flowmeters for major consumption areas.

**Reassurance our water footprint through third party:** In 2021, one of the Company's manufacturing facilities has taken support from The Energy & Resource Institute (TERI) for carrying out detailed assurance of water management activity. In 2021, one of the Company's manufacturing plant in Nelamangala has been certified as "Water Positive" by TERI. The total annual hourly rainwater being harvested on the water positive site was observed to be more than 2 lakhs cum.



In line with National Water Mission's (NWM) campaign "Catch The Rain", in the year 2021, three of the Company's manufacturing units initiated rainwater harvesting projects based on the Central Ground Water Authority (CGWA) and IGBC guidelines.

With various improvement activities at plants, the Company was able to improve the overall water recyclability by 4% in the year 2021 as compared to the year 2020.

#### **b. Moving towards carbon neutral operation:**

As part of its ABB sustainability targets 2030 and ESG agenda, the Company has set an ambition to enable a low-carbon society where, the Company has also committed to partner with its customers and suppliers to reduce emissions and achieve carbon neutrality in its own operations by 2030. ABB has also targeted to support its customers to reduce their annual emissions by >100 Mt, whereas in case of suppliers, the Company will deploy a systematic approach for CO<sub>2</sub> emission reduction for identified significant/impactful suppliers.

The Company has taken a commitment towards Renewable Energy (RE100), Electric Vehicles (EV 100) & Cleaner & more efficient technologies (EP 100) to reduce its own emissions in line with ABB global pledge. The Company has also planned to reach its ambitious science-based targets through electrifying its vehicle fleet by 2030, procuring 100 percent renewable electricity by 2030 and defining a clear energy efficiency targets with the help of its energy management systems.

In order to realize RE100 commitment, the Company has taken various initiatives such as installation of solar rooftop, green power procurement through third party Power Purchase Agreements (PPAs) along with International Renewable Energy Certificates (I-REC). During the year the Company has installed additional roof top solar panels at its plants in Nashik & Faridabad. With the help of various renewable energy sources (including procured I-REC), the Company has utilized around 43% of green power in 2021 to reduce our scope-2 CO<sub>2</sub> emission.

To realize the Company's goal of EP100, it is strengthening its energy management systems to further reduce energy consumption and enhance the energy efficiencies of electrical equipments at its premises. In 2021, few major improvement initiatives taken were :

- Air leakage arresting & provision of Variable Frequency Drives (VFD) installation for compressors for energy savings
- Replacement of conventional lighting with LEDs, building management system (BMS) installation for real-time monitoring and control of equipment operation etc.
- Replacement of IE 2/IE3 motors with high efficient IE 4 motors for various operations

To achieve EV 100 objectives, the Company is in the process of finalizing its action plan with clear internal guidelines to encourage usage of electrical vehicle within its premises. Organisation has also initiated the electrical charging stations across all manufacturing premises to further promote the EV vehicle among employees and other stakeholders.



Besides its own operation, the Company has future plans to extend its CO<sub>2</sub> emission reduction activity across its customers & suppliers. In 2021, the Company has provided training to more than 100 suppliers on resource conservation and CO<sub>2</sub> emission reduction and initiated monitoring of CO<sub>2</sub> emission at supplier base.

### c. Contribution towards circular economy:

In case of Zero waste landfill journey, the company has already achieved close to 95% of recyclability, and further working towards addressing the balance 5% of non-recyclable waste so as to achieve 100% waste recyclability at all units. The Company has focused on elimination of “Single use plastics” and eliminated completely the use at one of its plants during the year. With focused activity on single use plastic elimination as well as reduction, we could reduce around 2 Ton/Annum of plastic waste within our premises.

Some of the other good initiatives w.r.t. waste reduction includes the phasewise elimination of sticker’s release paper waste by adopting pre-printed labels on the packaging carton boxes at suppliers itself instead of providing separate stickers on the packaging carton boxes in ABB premises.



We have also adopted various initiatives to recycle the wooden waste including packaging waste generated at our premises. With various initiatives related to waste management, the Company could achieve around 95% of waste recyclability during the year 2021. Recyclable waste was disposed through authorized recyclers whereas, the remaining non-recyclable waste was disposed through the incineration/landfill facilities approved by local State Pollution Control Board.

### Essential Indicators

1. Details of total energy consumption (in MWh) and energy intensity, in the following format: (data reported are of all the ABB India manufacturing units)

Parameter	FY 2021 Current Financial year	FY 2020 Previous Financial Year
Total electricity consumption (A)	18580	17022
Total fuel consumption (B)*	2224	2626
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	20804	19648
Energy intensity per Rupee of turnover (Total energy consumption turnover in Rupees) (MWh/INR Crores)	3.0	3.4
Energy intensity (optional)- the relevant metric may be selected by the entity	-	-

\* The fuel consumption value for 2020 & 2021 is excluding the fuels consumed from fleet operations

Note: indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency : **Yes (DNV auditors)**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.  
No. The PAT scheme is not applicable to our Manufacturing Units.

## 3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 2021 Current Financial year	FY 2020 Previous financial year
Water withdrawal by source (in KL)		
(i) Surface water	51682	47238
(i) Groundwater	92083	73609
(ii) Third party water	1770	1497
(iii) Seawater/desalinated water	0	0
(iv) Others (Rainwater use)	130	130
Total volume of water withdrawal (in KL) (I + ii + iii+ iv + v)	145665	122474
Total volume of water consumption (in KL)	145665	122474
Water intensity per rupee of turnover (Water consumed/turnover) (KL/₹ - Crores)	21.01	21.04
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency : **Yes (DNV auditors)**

## 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. Company has installed highly efficient waste water treatment systems (STP & ETPs across all its manufacturing sites. In line with Zero Liquid discharge principle, our major units are recycling treated waste water for gardening as well as flushing purpose.

## 5. Please provide details of air emissions (other than GHG emission) by the entity, in the following format:

Parameter	Please specify unit	FY 2021 Current Financial year	FY 2020 Previous Financial Year
NOx			
Sox	CPCB/SPCB standards	Complied	Complied
Particulate Matter (PM)			
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	Ton	25.4	34.8
Hazardous air pollutants (HAP)	-	-	-
Others-please specify	-	-	-

Note: indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N).If yes name of the external agency : **Yes (DNV auditors)**

## 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity in the following format:

Parameter	Unit	FY 2021 Current Financial year	FY 2020 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) #	Metric tonnes of CO <sub>2</sub> equivalent	1518	1847
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) *	Metric tonnes of CO <sub>2</sub> equivalent	8421	8286
Total Scope 1 and Scope 2 emissions intensity (optional) – the relevant metric may be selected by the entity (Ton/INR-Crore)		1.43	1.74

# = The scope 1 emission also includes the GHG emission from SF<sub>6</sub> and fuel consumed from fleet operation. Whereas, the fleet emission data capturing has been started from 2021 and the same value of fleet emission has been considered for the year 2020.

\* = The CO<sub>2</sub> emission is calculated considering International Renewable Energy Certification (I-REC) procured for Faridabad plant which is used to reduce Scope-2 CO<sub>2</sub> emission for ABB India. Please note that the CO<sub>2</sub> emission has been calculated based on CO<sub>2</sub> emission factor of 0.82 (Ton/MWh) for the year 2020 & 0.79 (Ton/MWh) for the year 2021 (based on Central Electricity Authority: CO<sub>2</sub> baseline database)

Note: indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency : **Yes (DNV Auditors)**

## 7. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, the provide details yes,

As part of its ABB sustainability targets 2030 and ESG agenda, the Company has set an ambition to enable a low-carbon society where, the Company has also committed to partner with its customers and suppliers to reduce emissions and achieve carbon neutrality in its own operations by 2030. ABB has also targeted to support its customers to reduce their annual emissions by >100 Mt, whereas in case of suppliers, the Company will deploy a systematic approach for CO<sub>2</sub> emission reduction for identified significant/impactful suppliers.

The Company has taken a commitment towards Renewable Energy (RE100), Electric Vehicles (EV 100) & Cleaner & more efficient technologies (EP 100) to reduce its own emissions in line with ABB global pledge. The Company has also planned to reach its ambitious science-based targets through electrifying its vehicle fleet by 2030, procuring 100 percent renewable electricity by 2030 and defining a clear energy efficiency targets with the help of its energy management systems.

In order to realize RE100 commitment, the Company has taken various initiatives such as installation of solar rooftop, green power procurement through third party Power Purchase Agreements (PPAs) along with International Renewable Energy Certificates (I-REC). During the year the Company has installed additional roof top solar panels at its plants in Nashik & Faridabad. With the help of various renewable energy sources (including procured I-REC), the Company has utilized around 43% of green power in 2021 to reduce our scope-2 CO<sub>2</sub> emission.

To realize the Company's goal of EP100, it is strengthening its energy management systems to further reduce energy consumption and enhance the energy efficiencies of electrical equipments at its premises. In 2021, few major improvement initiatives taken were :

- Air leakage arresting & provision of Variable Frequency Drives (VFD) installation for compressors for energy savings
- Replacement of conventional lighting with LEDs, building management system (BMS) installation for real-time monitoring and control of equipment operation etc.
- Replacement of IE 2/IE3 motors with high-efficient IE 4 motors for various operations

To achieve EV 100 objectives, the Company is in the process of finalizing its action plan with clear internal guidelines to encourage usage of electrical vehicle within its premises. Organisation has also initiated the electrical charging stations across all manufacturing premises to further promote the EV vehicle among employees and other stakeholders.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2021 Current financial year	FY 2020 Previous financial year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	142	42
E-waste (B)	42	41
Bio-medical waste (C)	0.01	0.08
Construction and demolition waste (D)	-	-
Battery waste (E)	-	6
Radioactive waste (F)	NA	NA
Other hazardous waste. Please specify, if any (G) (waste consists of used oil, oil soaked cotton waste & few other hazardous waste)	155	124
Other non-hazardous waste. Please specify, if any (H). (waste consists of wooden, metal (ferrous, Non-ferrous), paper & few other non hazardous waste)	3434	2897
Total (A+B+C+D+E+G+H)	<b>3773</b>	<b>3110</b>
For each category of waste generated total waste recovered through recycling, reusing or other recovery operations ( in metric tonnes)		
Category of waste		
(i) Recycled	3567	2923
(ii) Re-used		
(iii) Other recovery operations		
(iv) Total		
Category of waste		
(i) Incineration	206	187
(ii) Landfilling		
(iii) Other disposal operations		
<b>Total</b>	<b>3773</b>	<b>3110</b>

Note: indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency : **Yes (DNV Auditor)**

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxics chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company has adopted a strong waste management system to meet the compliance with respect to local regulations as well as improve the circularity in our operation. The well-established system is supporting our operations to properly segregate the waste at source & adopt the 3R concept to reduce, reuse & recycle. The waste generated within our premises is recycled through authorized recyclers and remaining disposed through State Pollution Control Board approved landfill/incineration facilities. With our strong waste management system, we have achieved 95% of waste recyclability in 2021.



In order to offer a green product to the customers and meet various national/international regulations on chemical/material management, our organization has established a strong internal material compliance management system to reduce usage of hazardous and toxic chemicals in our products and processes. Besides our internal ABB way management system, ABB Supplier Code of Conduct (SCoC) also defines the requirements from the suppliers on environment & material compliance management.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspot, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, specify details in the following format.

S.No	Location of offices	operations/	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken if any.
NA	NA	-	-	-

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:

Name and brief details of projects	EIA Notifications No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Weblink
NA	NA	-	-	-	-

12. Is the entity compliant with the applicable environmental law/regulations/ guidelines in India; Such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection at and rules thereunder (Y/N). If not, provide details of all such non-compliances in the following format:

S.No	Specify the law/regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	-	-	-

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Mwh) from renewable and non-renewable sources, in the following format:

Parameter	FY 2021 Current financial year	FY 2020 Previous financial year
<b>From renewable sources</b>		
Total electricity consumption (A)	5969	5287
Total fuel consumption (B)*	-	-
Energy consumption through other sources (C)*	1952	1630
Total energy consumed from renewable sources (A+B+C)#	7921	6917
<b>From non-renewable sources</b>		
Total electricity consumption (D)	10659	10105
Total fuel consumption (E)	2224	2626
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	12883	12731

+ The fuel consumption value for 2020 & 2021 is excluding the fuels consumed from fleet operations

\*Energy consumption through other sources consists of International Renewable Energy Certification (I-REC) procured equivalent to grid electricity consumption

#The Total energy consumed with renewable source consists of renewable energy from solar power, Third party PPA & purchasing of International Renewable Energy Certification(I-REC)

Note: indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency : **Yes (DNV Auditor)**

## 2. Provide the following details related to water discharged:

Parameter	FY 2021 Current financial year	FY 2020 Previous financial year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(iv) Sent to third -parties	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(v) Others (municipal sewerage system after State pollution control board permission)		
- No treatment	-	-
- With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate	21305	25201
<b>Total water discharged (in KL)</b>	<b>21305</b>	<b>25201</b>

Note: indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency : **Yes (DNV Auditors)**

## 3. Water withdrawal consumption and discharge in the areas of water stress (in KL):

For each facility/plant located in areas of water stress , provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal consumption and discharge in the following format:

Parameter	FY 2021 Current financial year	FY 2020 Previous financial year
Water withdrawal by source (in KL)		
(i) Surface water	51682	47238
(ii) Groundwater	92083	73609
(iii) Third party water	1770	1497
(iv) Seawater /desalinated water	-	-
(v) Others (rain water)	130	130
Total volume of water withdrawal (in KL)	145665	122474
Total volume of water consumption (in KL)	145665	122474
Water intensity (optional)-the relevant metric may be selected by the entity	<b>21.01</b>	<b>21.04</b>
Water discharge by destination and level of treatment (in KL)		-
(i) Into Surface water		-
- No treatment		-
- With treatment – please specify level of treatment		-
(ii) Into Groundwater		-
- No treatment		-
- With treatment – please specify level of treatment		-
(iii) Into Seawater		-
- No treatment		-
- With treatment – please specify level of treatment		-
(iv) Sent to third parties		-
- No treatment		-
- With treatment – please specify level of treatment		-
(v) Others (To municipal sewerage)		-
- No treatment		-
- With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate	21305	25201
<b>Total water discharged ( in KL)</b>	<b>21305</b>	<b>25201</b>

Note: indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N). If yes, name of the external agency : **Yes (DNV Auditors)**

## 4. Please provide details of total Scope 3 emissions &amp; its intensity, in the following format:

Parameter	Unit	FY 2021 Current financial year	FY 2020 Previous financial year
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)*	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 3 emissions per Rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

\* ABB globally report scope-3 GHG emission as part of Global CDP disclosure which includes ABB India data also.

## 5. With respect to the ecologically sensitive areas reported at Question 10 of essential Indicators above, provide details of significant direct and indirect impact of the entity on bio-diversity in such areas along with prevention and remediation activities

Not Applicable

## 6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emission/ effluent discharge/ waste generated please provide details of the same as well as outcome of such initiatives as per the following format

S.No	Initiative undertaken	Details of the initiatives (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	Green power procurement through Third party PPAs	Enhancement of renewable energy utilization to align our activity with RE100 goal.	CO <sub>2</sub> emission reduction
2	Solar power panels installation at our 2 Nos. of factories in 2021	Enhancement of renewable energy utilization to align our activity with RE100 goal.	CO <sub>2</sub> emission reduction
3	Various energy efficiency improvement activities such as IE4 motor usage, VFD installation at compressors etc. in 2021	Improvement in energy efficiency inline with our EP100 goal.	CO <sub>2</sub> emission reduction
4	Rainwater harvesting system implementation across 2 nos. of factories in 2021	The purpose is to capture maximum rain water for recharge & reuse purpose.	Water footprint reduction
5	Water positive Factory establishment (1 No. factory in 2021)	<u>ABB India turns its Nelamangala Campus 'water positive'</u>	Water footprint reduction
6	Single use plastic free premises establishment (1 No. factory in 2021)	Elimination of single use plastic also helped in reducing plastic waste within our premises	Waste reduction

## 7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link

Yes. ABB has a security and crisis management process. This creates a procedure, system and structure to prevent people and other assets at risk, loss or criminal activities. As an indispensable part of ABB business, security network is used to analyze threats and vulnerabilities of assets, with the purpose to prevent threats and reduce risks. In recent years, ABB has greatly enhanced security, and employed more internal and external security experts from all over the world.

Types of risks have increased, including war and terrorism, political turmoil, environmental pollution and natural disasters, various criminal activities and commercial espionage and maritime threats. One of ABB's recent focuses is on travel safety. ABB has established a set of systems that can track employees in the global scope and inform employees and management of the situation when they are at risks or in dangers. In moments of crisis, ABB can advise and support the relocation of employees and assets at risk.

In recent years, at the ABB Group level nearly 450 managers from 18 countries participated in the safety and crisis management exercises including that of the Company. This is to enhance understanding of potential risks, and to ensure that employees know how to respond to potential threats and emergencies. In addition, the group also launched a pilots in several countries on facility safety training, including Human Rights and the standards of onsite security.

Web link: <https://new.abb.com/cn/en/sustainability/security-crisis-management>

## 8. Disclosure any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not available

## 9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

Not available



## PRINCIPLE 7 : Businesses, when engaging in influencing public a regulatory policy, should do so in a manner that is responsible and transparent

### Advocacy, aid and corporate responsibility bodies

The Company is a member of several industry associations and networks with other companies on various aspects of sustainability.

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations: 5

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of /affiliated to as provide below:

S.No.	Name of the trade and Industry chambers/associations	Reach of trade and industry chambers /associations (State/ National)
1	Confederation of Indian Industries (CII)	National
2	Indian Electrical and Electronics Manufacturers' Association (IEEMA)	National
3	Swedish Chamber of Commerce in India (SCCI)	National
4	Swiss India Chamber of Commerce (SICC)	National
5	Federation of Karnataka Chambers of Commerce and Industry	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable since the Company has not received any issues related to anti-competitive conduct

### Leadership Indicators

1. Details of public policy positions advocated by the entity

S.No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually Half yearly/ Quarterly/Others- please specify)	Web Link, if available
1	Cyber security for power sector	Represented as one of the 12 members of IEEMA for interaction with Central Electricity Authority and Power Ministry	No		IEEMA
2	Standardization for chargers for EV buses	Nomination to the standardization sub-committee being formed for EV buses by Principal Scientific Advisor, Department of Science & technology.	No		





## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Caring for its Communities

The ABB 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 has been focused on making a difference to communities across India through its Corporate Citizenship initiatives. The Company's commitment is on key focal areas of access to education, diversity and inclusion and sustaining communities. Over the years, the Company has contributed towards implementing healthcare, education with focus on women's education and on local development of its communities. During the year there was a new policy CSR roll-out in line with new requirements.

The Company in line with its set Corporate Social Responsibility (CSR) policy undertook various community engagements with the intent of contributing to the vulnerable groups of the society. The pandemic during the year proved to be an extremely challenging time especially for people who are already disadvantaged in various ways. The Company was steadfast in contributing to communities during the pandemic in terms of assisting Govt. and charitable hospital providing them with needed medical and essential supplies to manage and support Covid-19 treatment and related requirements. During the year, activities were pre-dominantly around Covid-19, both financial and in-kind contributions and support that was rendered. The Company quickly mobilized its internal resources to source and supply several medical equipment-in-kind support such as critical hospital ventilator accessories, customized Covid-19 kits, Personnel Protective Equipments (PPE's) that were distributed to identified hospital and organizations across the country. The need was verified and responded to by the location teams converting it into immediate response to the requests.

Community development projects that were initiated in the previous years continued to be focused during challenging times where project work was implemented and underway during the year. The road upgradation focusing on improving road safety, security, cleanliness and hygiene of selected road stretches in a dense industrial area- this project continued to be implemented during the year to enable to complete a "model road" program. This flagship program was rolled out under the lead involvement of the leadership of the Company; and hopes to harness more neighbouring companies to join the initiative.

The Company also increased its commitments in terms of women education and empowerment and added an additional 50 young meritorious and deserving women towards its women engineering scholarship program thus increasing its support to a total of 100 young women under its women engineering scholarship program.

The Company's project of providing critical general healthcare to its communities continued to be run successfully in its communities during the pandemic and times of lockdown. This program implemented through its partners was much utilized by communities especially during the time of the pandemic and when the healthcare system was challenged to accommodate and support all.

New programs of scholarship and support to young girls in communities of Faridabad along with a set-up of community IT skills center, supporting differently-abled women through residential facility in Nashik and water management project expansion were initiated during the year.

CSR spending is through the Company's registered Trust namely the ABB India Foundation and is a mix of direct spending as well as through partnerships with verified NGO partners. During the year, the Company spent ₹ 10.086 Crores on CSR activities as stipulated under Schedule VII of the Companies Act, 2013. The total spend across various projects/activities is detailed in Annexure to the Board's Report 2021 on Corporate Social Responsibilities (CSR) activities.

To understand and validate the objective of the CSR programmes are being met and to understand the impacts of the interventions of the Company in communities, third part impact assessment studies were initiated for large projects that were implemented in the last year by the Company. A comprehensive report on the findings of the impacts caused by the projects including the benefits, the actual outreach, achievement of the actual goal versus the targeted and feedback of the beneficiaries have been documented and the Company will take account of these in planning making any changes to its further social projects.

### Essential Indicators

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not Applicable. As there were no projects that required SIA as per law in the current year

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Nil

**3. Describe the mechanisms to receive and redress grievances of the community**

The Company has a set a process and conduct and receive any kind of enquiry/ grievance from an external stakeholder. It has a contact center which can be accessed via phone, email web or chat and provide a single point of contact to all the Company's sales / service query. The query received is assigned it to the relevant ABB person in the business unit or function immediately. Also, the ABB Business Ethics Helpline that was introduced in 2006 was for the purposes of providing all ABB employees and stakeholders, worldwide, with a means to report suspected violations of the ABB Code of Conduct, Supplier Code of Conduct, or applicable laws. This channel provides a reporting platform for internal and external stakeholders including communities where issues related to Ethics and compliance issues, fraud, misconduct, corruption, financial issues, conflicts of interest, insider trading or antitrust regulations, theft, embezzlement, employee relations and human resources issues, such as harassment, discrimination, improper workplace conduct or immigration issues, loss prevention and asset protection, workplace violence and alcohol/ drug abuse, environment, conflict minerals, health and safety, such as occupational health and safety violation etc. all can be reported.

**4. Percentage of inputs material (inputs to total inputs by value) sourced from suppliers:**

	FY 2021 Current financial year % spend	FY 2020 Previous financial year % spend
Directly sourced from MSMEs/small producers	19	19
Source directly from within the district and neighbouring districts (i.e., within a state)	71	68

The sustainability of the Company's supply base is integral to its long-term success. The Company works closely with its suppliers to ensure that its sustainability expectations, ambitions and targets are understood and met. Its suppliers are an extension of its enterprise; as such, they are integral to the Company's sustainable growth. The Company in line with the ABB Group uses the ABB Supplier Code of Conduct (SCoC). This policy document, reflects the 10 principles of the UN Global Compact and the essence of the ABB Code of Conduct. The updated ABB Code of Conduct issued in 2020 further clarified the expectations for the Company's employees when dealing with suppliers. New suppliers are required to go through ABB's supplier qualification process, during which it assesses the sustainability performance of potential business partners at the initial selection stage, along with other business parameters. To become qualified to do business with the company, new suppliers must commit to the SCoC. This aspect is part of the Company's routine supplier evaluation process and reinforces its commitment to responsible sourcing.

### Leadership Indicators

**1. Provide details of actions taken to mitigate any negative social impacts identified in Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by Government bodies:**

The Company puts sustainability and social development at the center of its CSR efforts. It is committed to the development of a sustainable future and actionable solutions to basic needs of the community pre-dominantly in and around its plants (and current locations do not fall under State/Aspirational districts) and projects are predominantly in and around communities close to manufacturing plants.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from supplies comprising marginalized / vulnerable groups? (Yes/No)

No. A common sourcing policy that is based on attributes, quality, costs and capability is followed. This policy does not differentiate between sourcing groups and categories.

(b) From which marginalized/vulnerable groups do you procure? N.A

(c) What percentage of total procurement (by value) does it constitute ? N.A

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of key CSR Projects:

S.No	CSR project	No. of persons benefitted from CSR projects annually	% of beneficiaries from vulnerable and marginalized groups
1	External Peenya public road infrastructure and public amenities upgradation project*	10080000	40%
2	Women engineering scholarship program for meritorious and deserving 100 selected women	100	100%
3	Operation of mobile health care units for communities in Nashik in Maharashtra	72000	100%
4	Operation of mobile health care units for communities in Faridabad in Haryana	80000	100%
5	Udayan Shalini fellowship program for 50 girls in communities in Faridabad	50	100%
6	IT skill center for communities	150	100%
7	Procurement and installation of needed medical equipment and facilities for the hospital's cancer care for poor and needy patients	100	80%
8	Providing support, required health care and medical assistance for the disadvantaged, disabled women at the residential facility of the recipient in Nashik.	30	100%
9	Improving the learning levels of Govt. school children and is a child-centric intervention with motivation in 98 Government schools identified in Nelamangala Taluka for the academic year 2021-2022.	6100	100%
10	Construction of a check and water management structure in drought prone village of Nashik	1000	100%
11	Solarization of a NGO campus	500	100%
12	Infrastructure upgradation of Govt. Hospital, Nelamangala	5000	100%
13	Contribution towards medical supplies and essentials for Covid-19 across various Govt and charitable hospital, across the country like Vadodara Municipal Corporation (VMC), Govt. community health center, Faridabad, ESIC hospital Faridabad, Govt Taluk hospital, Nelamangala **	15000	100%

Note: \*estimated on average usage calculated based on an average of 35000 users on a daily basis

\*\* estimated on an average on the number of patients during the period by the said hospitals



## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Customer engagement

The Company is a pioneering leader constantly pushing the boundaries of technology to drive performance to new levels. Working closely with industry, utility, transportation and infrastructure customers, the Company offers 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.

### Essential Indicators:

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

The Company has a set process called the Customer Care Response Process (CCRP), in order to address any customer issues with the Company's offering and service portfolio. Most of the Company's customers deal with more than one business area 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.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. The Company has adopted the Net Promoter Score (NPS) survey methodology 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 there are opportunities for improvement. The surveys are administered online through a web-based application. Data from the surveys are reviewed for analytical insights and direct action by the Company's various business areas, to actively and decisively effect the changes that the customers recommend. The relational NPS surveys are held once in two years to measure customer loyalty, based on long-term engagement between senior managers of customers and the Company. In the NPS survey carried out by the Company in 2020, 5,427 customers were invited, 70% of whom responded. The NPS score was 66%. The next survey will be held in 2022.

### 3. Number of consumer complaints in respect of the following\*

	FY 2021 (Previous financial year)		Remarks	FY 2022 (Previous financial year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	Nil			Nil		
Advertising	Nil			Nil		
Cybersecurity	Nil			Nil		
Delivery of essential services	Nil			Nil		
Restrictive trade practices	Nil			Nil		
Unfair trade practices	Nil			Nil		

\* Note: Does not include complaints from channel partners since those are specifically referred to as 'value partners' within this document.



**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework /policy on cyber security and risks related to data privacy? (Yes/No) If available provide a web-link of the policy.  
Yes. Web link: <https://new.abb.com/privacy>
6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services cyber security and data privacy of customers re-occurrence of instances of product recalls penalty action taken by regulatory authorities on safety of products/services.  
Nil.

**Leadership Indicators**

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Web link: <https://new.abb.com/indian-subcontinent/products-and-services>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and /or services.  
At ABB, sustainable innovation is a core part of the Company's DNA. The Company continues to work together and with our partners and customers to explore new ways to incorporate sustainable materials across our solutions and bring them to new markets including increased communications.
3. Mechanism in place to inform consumers of any risk of disruption/ discontinuation of essential services  
Issues that are bound to arise in any customer/supplier relationship, there is continual communication maintained with customers these help to identify problems before they become serious and allows both parties to work towards mutually beneficial solutions. The Company's teams focus on quality and customer service, continue to strengthen our relationship and position ABB as a trusted partner and have ongoing communication on all aspects.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

The ABB Group also develops Environmental Product Declarations (EPD) to communicate the environmental performance of some of its 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. LCA and EPD are co-ordinated and reached at the ABB Group level and available for a few products.

5. Provide the following information relating to data breaches:
- Number of instances of data breaches along-with impact  
Nil
  - Percentage of data breaches involving personally identifiable information of customers  
Nil

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# Links to ABB and Company's Key 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:**

[http://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster\\_24-x-32-in\\_v5.pdf?sfvrsn=2](http://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster_24-x-32-in_v5.pdf?sfvrsn=2)

**Social Policy:**

<http://new.abb.com/sustainability/social-policy>

**Human Rights Policy & Statement:**

<http://new.abb.com/sustainability/human-rights-policy-and-statement>

**Corporate Social Responsibility Policy:**

[https://new.abb.com/docs/librariesprovider19/default-document-library/csr-policy.pdf?sfvrsn=c5444009\\_2](https://new.abb.com/docs/librariesprovider19/default-document-library/csr-policy.pdf?sfvrsn=c5444009_2)

**Sexual Harassment of Women at the Workplace Policy:**

<http://new.abb.com/docs/librariesprovider19/default-document-library/policy-on-sexual-harassment-of-women-at-workplace.pdf?sfvrsn=2>

**Code of Conduct:**

<https://search.abb.com/library/Download.aspx?DocumentID=9AKK107680A7765&LanguageCode=en&DocumentPartId=&Action=Launch>

**Supplier Code of Conduct:**

<http://new.abb.com/about/supplying/code-of-conduct>

**Supplier Sustainability Development Program:**

<http://new.abb.com/about/supplying/sustainability>

**Corporate Governance:**

<https://new.abb.com/indian-subcontinent/investors/corporate-governance-2021>

**Integrity Program:**

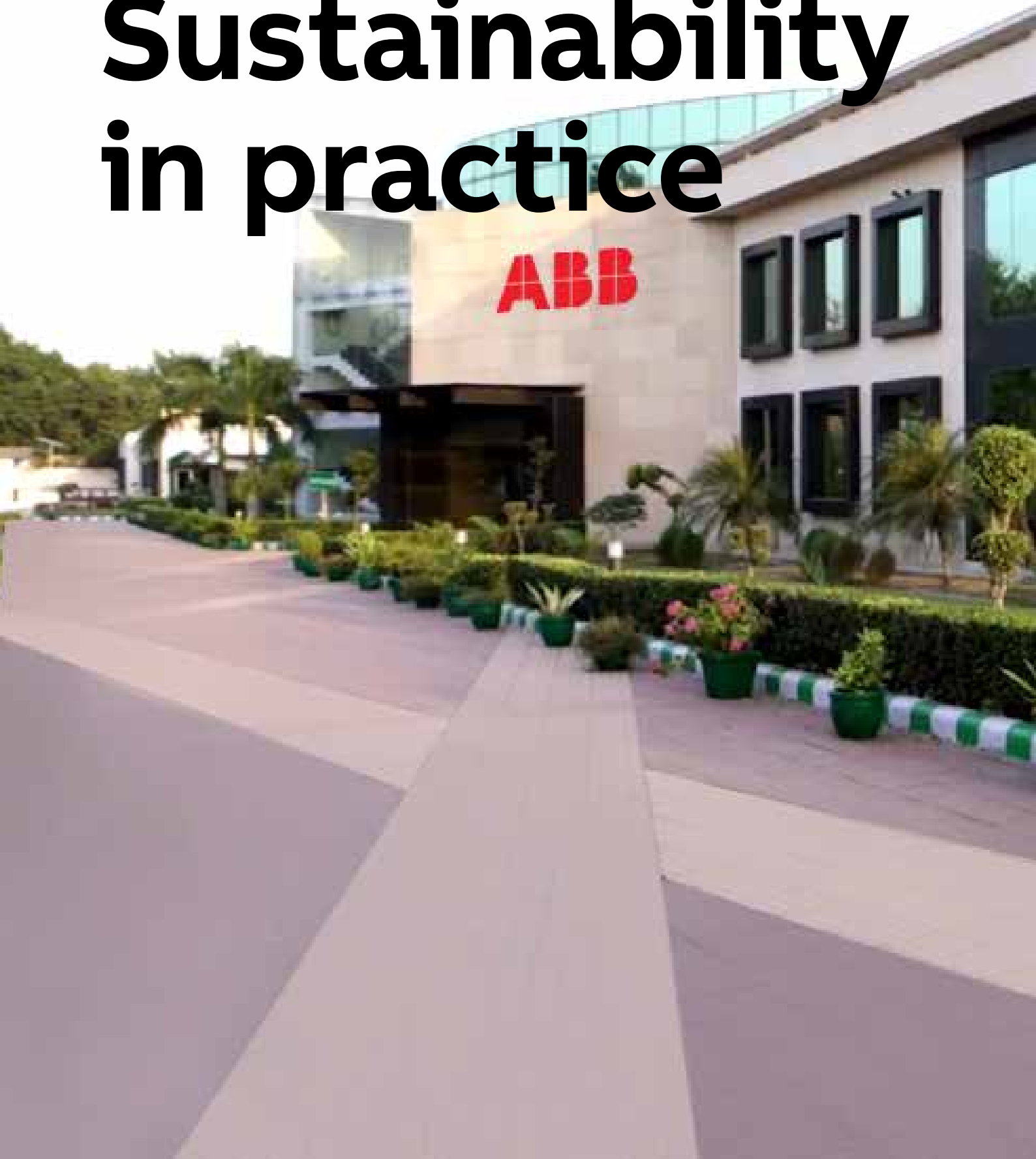
<http://new.abb.com/about/integrity>

**ABB Equal Employment Policy:**

<https://careers.abb/global/en/equal-employment-opportunity-and-affirmative-action>

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# Sustainability in practice





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## Faridabad Campus, Haryana

- Certified '**Platinum rated**' by Indian Green Building Council (IGBC)\*
- Undertaken renewable energy usage and improved **energy efficiency** practices across the plant
- Waste recyclability around **98%**
- Over **600 solar panels** installed to reduce grid dependence

\* The IGBC Platinum rating recognizes global leadership and is the highest rating offered by IGBC



# Notice

NOTICE is hereby given that the SEVENTY SECOND ANNUAL GENERAL MEETING ('AGM') of the Members of ABB India Limited ('the Company') will be held on Thursday, May 5, 2022 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, 2021, (ii) the Audited Statement of Profit & Loss 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 ₹5.20 (Rupees Five and paise Twenty only) per Equity Share of ₹2/- each for the Financial Year 2021.

### Item No. 3 - Appointment of a Director:

To appoint a Director in place of Mr. Morten Wierod (DIN: 08753868) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

### Item No. 4 - Re-Appointment of Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022), as Auditors of the Company:

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

"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) be and are hereby re-appointed as Statutory Auditors of the Company to hold office for second term of 5 (five) years from the conclusion of this Annual General Meeting until the conclusion of the 77<sup>th</sup> Annual General Meeting and to authorize the Board of Directors to determine their remuneration."

## Special Business:

### Item No. 5 - Re-Appointment of Mr. Sanjeev Sharma as the Managing Director:

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

"RESOLVED THAT pursuant to and in accordance with the provisions of Sections 196, 197, 203 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, ("the said Act"), read with Schedule V thereto, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval of the Central Government, if any, consent of the Company be and is hereby accorded for the re-appointment of Mr. Sanjeev Sharma (DIN: 07362344) ("Mr. Sharma") as the Managing Director of the Company for a period of 5 (five) years from January 1, 2022 to December 31, 2026 (both days inclusive), at the remuneration and on the terms and conditions set out in the Agreement dated August 26, 2021 between the Company and Mr. Sharma, AND the Board be and is hereby authorized to alter, vary or modify his terms of appointment (including remuneration) as may be agreed with Mr. Sharma, however subject to the overall ceiling on remuneration specified in the said Schedule V and other applicable provisions of the said Act for the time being in force.

AND RESOLVED THAT pursuant to the provisions of Sections 196 and 197 and other applicable provisions, if any, of the said Act, the remuneration payable or granted to Mr. Sharma as the Managing Director by way of salary, perquisites, commission and other allowances, shall not exceed 5% of the net profits of the Company and if there is more than one Whole-time Director, Director remuneration shall not exceed 10% of the net profit to all such Directors taken together.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Sharma, as Managing Director, his remuneration, perquisites and other allowances shall be governed and regulated by the limits prescribed in Schedule V to the said Act.

AND RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors and/or any of the key managerial personnel of the Company for the time being, be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard."

**Item No. 6 - Appointment of Ms Carolina Yvonne Granat as a Director:**

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

**"RESOLVED THAT** Ms Carolina Yvonne Granat (DIN:09477744), who was appointed as an Additional Director (Non-executive and Non-independent) by the Board of Directors with effect from April 1, 2022 under Section 161 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 144 of the Company's Articles of Association 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 appointed as a Director (Non-executive and Non-independent) of the Company, liable to retire by rotation."

**Item No. 7 - Commission to Independent Directors of the Company:**

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

**"RESOLVED THAT** pursuant to Article 147 of the existing Articles of Association of the Company and the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded for payment of remuneration by way of commission to the Independent Directors of the Company, an amount not exceeding in the aggregate 1% per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, for a period of five financial years from January 1, 2022 to December 31, 2026, in such manner and proportion as may be determined by the Board from time to time."

**Item No. 8 - Approval of remuneration to the Cost Auditor of the Company for Financial Year 2022:**

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 ₹25,00,000/- (Rupees Twenty Five 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, 2022, 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

Trivikram Guda  
Company Secretary  
ACS: 17685

Place: Bengaluru  
Date: February 10, 2022

Registered Office:  
Disha – 3rd Floor, Plot No. 5 & 6, 2nd Stage  
Peenya Industrial Area IV, Peenya, Bengaluru - 560 058  
Karnataka, India  
CIN: L32202KA1949PLC032923

**Notes:**

1. This AGM is convened through Video Conferencing ("VC")/Other Audio-Visual Means("OAVM") pursuant to General Circular number 21/2021 dated 14.12.2021 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated 15.1.2021 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 2021 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](http://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](http://www.bseindia.com) and National Stock Exchange of India Limited - [www.nseindia.com](http://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 72<sup>nd</sup> AGM, for information of the Members.
3. The Company has availed the services of KFin Technologies Limited, (KFintech) Registrar and Transfer Agent of the Company, as the authorised agency for conducting of the AGM through VC/OAVM and for 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 Companies Act, 2013 (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 Act, setting out the material facts concerning special business at Item Nos. 5, 6, 7 and 8 is annexed hereto.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from April 29, 2022 to May 5, 2022 (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 Monday, May 9, 2022, 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 Thursday, April 28, 2022 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 Thursday, April 28, 2022.
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](http://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, 2014 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, 2013, have been transferred to IEPF.  
  
The details of the unclaimed dividends are available on the Company's website at [www.abb.co.in](http://www.abb.co.in) and Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in). Members are requested to contact KFin Technologies 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, 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 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](mailto:einward.ris@kfintech.com) or to the Company's designated/exclusive E-mail id: [investor.helpdesk@in.abb.com](mailto: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. To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission, Transposition etc). 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 contact 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](mailto:einward.ris@kfintech.com) on or before Monday, April 25, 2022. Further no tax shall be deducted on the dividend payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the Financial Year 2022-23 does not exceed ₹5,000/-. Shareholders may note that in case PAN is not updated with the Depository Participant/Registrar 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, if any, allotted by Indian Income Tax Authorities duly self-attested by the member
- Copy of Tax Residency Certificate [TRC] for the FY 2022-23 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](mailto:einward.ris@kfintech.com) on or before Monday, April 25, 2022. The Shareholders in the category of Mutual Funds are required to submit their respective SEBI Registration Certificates to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) on or before Monday, April 25, 2022. 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 provisions of 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 Thursday, May 5, 2022 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](mailto: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. **Speaker Registration :** 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 April 29, 2022 to May 2, 2022. 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](mailto:investor.helpdesk@in.abb.com) before 5.00 PM on Monday May 2, 2022. 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. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from April 29, 2022 to May 2, 2022.
- vii. 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.
- viii. 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.
- ix. Members who need assistance before or during the AGM may contact Ms. C Shobha Anand, Deputy Vice President, KFin Technologies Limited Toll Free No.: 1800-309-4001; or send an E-mail request to [shobha.anand@kfintech.com](mailto:shobha.anand@kfintech.com) or [evoting@kfintech.com](mailto: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 Limited (KFinTech) on all resolutions set forth in this Notice.
2. The remote e-voting period commences at 9.00 a.m. IST on Saturday, April 30, 2022 and ends at 5.00 p.m. IST on Wednesday, May 4, 2022. 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., Wednesday, April 27, 2022, may cast their vote electronically in the manner and process set out here in above. 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. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). However, if he / she is already registered with KFinTech for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.
4. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

5. The details of the process and manner for remote e-Voting are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3 : Voting during the AGM.

#### Details on Step 1 are mentioned below:

- I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<p><b>1. User already registered for IDeAS facility:</b></p> <p>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</p> <p>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p><b>2. User not registered for IDeAS e-Services</b></p> <p>I. To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>II. Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>III. Proceed with completing the required fields.</p> <p>IV. Follow steps given in points 1</p> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <p>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</p> <p>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech.</p> <p>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</p>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <p>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Click on New System Myeasi</p> <p>III. Login with your registered user id and password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress.</p>
<b>Individual Shareholder login through their demat accounts / Website of Depository Participant</b>	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 224 430
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**Details on Step 2 are mentioned below:**

- II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.
  - (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
    - i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
    - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be **EVEN (E-Voting Event Number) 6536**, 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 e-voting, you can use your existing User ID and password for casting the 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, email 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 "EVEN" i.e., "ABB India Limited- AGM" and click on "Submit"
    - 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 herein above. You may also choose the option ABSTAIN. If the Member 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. Members 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 (s), 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., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [cs.skannan@gmail.com](mailto:cs.skannan@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "ABB India Limited 72<sup>nd</sup> Annual General Meeting"
  - (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:



- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- ii. Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**Details on Step 3 are mentioned below:**

- III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for e-Voting during the AGM.
  - i. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
  - ii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
25. 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](mailto: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) 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.
26. Other Instructions:
  - i. In case of any queries, you may refer Help & FAQ section of <https://evoting.kfintech.com> or call KFintech Toll Free No. 1800 309 4001.
  - ii. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
    - a. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
      1. Example for NSDL:
      2. MYEPWD <SPACE> IN12345612345678
      3. Example for CDSL:
      4. MYEPWD <SPACE> 1402345612345678
      5. Example for Physical:
      6. MYEPWD <SPACE> XXXX1234567890
    - b. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
    - c. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1800 309 4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.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.kfintech.com> or call KFintech Toll Free No. 1800 309 4001.
  - 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. Wednesday, April 27, 2022.

- 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 two working days 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](http://www.abb.co.in) and on the KFinTech's website at <https://evoting.kfintech.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 Regulation 36(5) of the Listing Regulations and Section 102 of the Companies Act, 2013**

**Material Facts under Regulation 36(5) of the Listing Regulations**

**Item No. 4 - Re-appointment of Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022), as Auditors of the Company:**

At the 67<sup>th</sup> AGM of the Company held on May 9, 2017, the shareholders had approved the appointment of Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022), as Statutory Auditors of the Company, to hold office till the conclusion of the 72<sup>nd</sup> AGM.

The Board of Directors at their meeting held on February 10, 2022, based on recommendations of the Audit Committee, have approved the re-appointment of Messrs B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (five) years i.e. from the conclusion of this AGM till the conclusion of 77<sup>th</sup> AGM. The re-appointment is subject to approval of the shareholders of the Company.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Messrs B S R & Co. LLP, Chartered Accountants, have provided their consent and eligibility certificate to that effect, their re-appointment, if made, would be in compliance with the applicable laws.

The remuneration to Messrs B S R & Co. LLP, Chartered Accountants, for the financial year 2021 is ₹1.50 Crore (Rupees One Crore Fifty Lakh). The remuneration to be paid to Statutory Auditors during the second term shall be mutually agreed between the Board of Directors and Statutory Auditors, from time to time.

The Board recommends the passing of the resolution set out at Item No.4 of the accompanying Notice.

None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution.

**Material Facts under Section 102 of the Companies Act, 2013**

**Item No. 5 - Re-Appointment of Mr. Sanjeev Sharma as the Managing Director:**

Mr. Sanjeev Sharma aged 56 years is a Managing Director of the Company having over 35 years of industry experience in various fields.

Mr. Sharma joined ABB in the year 1990 and managed various local business units and divisions in India, Switzerland, Germany and Malaysia. Prior to his appointment as Managing Director of the Company, held the position of Global Managing Director for the Low Voltage Systems business unit at Malaysia.

During his previous tenure, members of the Company had appointed Mr. Sharma as the Managing Director vide postal ballot dated December 4, 2019 for a period of three years from January 1, 2019 until December 31, 2021 on such terms and conditions placed thereat.

Considering the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on June 11, 2021 re-appointed Mr. Sharma as the Managing Director of the Company for a further period for five years, with effect from January 1, 2022, subject to the approval of the Members.

The principal terms and conditions of his re-appointment as Managing Director as contained in the Agreement dated August 26, 2021 ("Agreement") are as under:

**Tenure of appointment:** Mr. Sharma be appointed as the Managing Director for a period of five years from January 1, 2022 to December 31, 2026 (both days inclusive) on a total remuneration not exceeding ₹5,55,00,000/- (Rupees Five Crore Fifty Five lakh Only) per annum as over-all Cost to the Company including bonus but excluding retiral, other perquisites and benefits. Mr. Sharma not to retire by rotation so long as he holds the office as Managing Director.

Subject to the orders and directions given to him by the Board from time to time and subject to such restrictions as the Board may impose at its discretion from time to time, Mr. Sharma shall have the management of the whole of the affairs of the Company with power to appoint and dismiss employees of the Company and to enter into contracts on behalf of the Company in the ordinary course of its business.

During the period of his employment, Mr. Sharma to undertake such travel in India and abroad as the Board may from time to time direct in connection with or in relation to the business of the Company.

#### Remuneration and Perquisites:

Mr. Sharma to be entitled to the following remuneration and perquisites:

##### Basic Pay:

₹21,600,000/- (Rupees twenty one million six hundred thousand only) per annum.

##### Other Allowances:

Mr. Sharma to be entitled for other allowances including leave travel concession of ₹8,400,000/- (Rupees eight million four hundred thousand only) per annum.

#### Social Security:

Mr. Sharma to be entitled to social security including contributions to Provident Fund and Gratuity Fund of ₹3,630,960/- (Rupees three million six hundred thirty thousand and nine hundred sixty only) per annum.

#### Bonus:

Mr. Sharma to be entitled to annual bonus not exceeding ₹15,000,000/- (Rupees fifteen million only) per annum, if he achieves 100% of the business targets fixed through the Annual Incentive Plan (AIP) by ABB Group; provided however that the actual amount of performance bonus shall vary depending upon the shortfall or exceeding the performance achievement.

#### Long-term Incentive:

Mr. Sharma may be offered the opportunity to participate in ABB's Long-Term Incentive plan (LTIP). Participation is not guaranteed and may vary from launch to launch. Additional details of the LTIP will be provided at the time of the relevant offer. Participation in the LTIP represents a voluntary, separate and distinct opportunity outside the scope and reach of the employment relation and is offered at the sole discretion of the company. The plan offering can be suspended any time without offering any other compensation. The target award, based on the grade of Mr. Sharma's position, corresponds currently to 35% of Guaranteed Cash. The actual amount awarded can be between 0 and 150% of the target award size determined at the discretion of management (Guaranteed Cash mean the total of Basic pay and Other Allowances).

#### Other Perquisites:

Free furnished accommodation or House Rent Allowance to a maximum ceiling of ₹4,000,000/- (Rupees four million only) per annum, one Company car with reimbursement of Chauffeur's salary, expenses towards children schooling, payment of membership/ subscription fee for two clubs, reimbursement of salary for domestic help, security guard at residence, expenses towards medical for self & family (as per Company's Policy), mobile, telephone, internet and other suitable communication facilities at his residence.

Mr. Sharma will be covered under Company's Medclaim Policy, Personal Accident Insurance, Mutual Family Assistance, International Health Insurance - Bupa & Term Life Insurance Scheme as per the rules of the Company/ Group's Policy for the time being in force.

Mr. Sharma to be entitled to continue participation in International Pension fund.

**Leave:**

Leave with full pay or encashment as per the rules of the Company for the time being in force.

**Over-all Remuneration**

The aggregate of salary, performance bonus and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, for the time being in force.

**Minimum Remuneration**

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013.

**Revision in Remuneration**

The remuneration payable to Mr. Sharma as Managing Director to be subject to revision from time to time (annually and/or otherwise), by the Board on the recommendation of the Nomination and Remuneration Committee.

Mr. Sharma shall be entitled to:

- (a) The reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors, and
- (b) The reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.

Mr. Sharma shall not be entitled for any sitting fee for attending the Meetings of the Board of Directors or Committee/s thereof, as long as he functions as the Managing Director.

Mr. Sharma shall not be subject to retirement by rotation, as long as he functions as the Managing Director.

Mr. Sharma shall not, during the term of this Agreement with the Company engage himself, either directly or indirectly or be interested in any capacity whatsoever or render assistance to any firm, company or persons whatsoever whether as a manufacturer, dealer or trader in goods or products which are of the same or similar kind and nature as those of the Company.

Mr. Sharma shall not during the continuance of his employment with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secret processes of the Company. Mr. Sharma shall during the continuance of this employment hereunder also use his best endeavors to prevent any other person from so doing PROVIDED HOWEVER that such divulgence or disclosure by Mr. Sharma to officers and employees of the Company for the purpose of business of the Company shall not be deemed to be a contravention to this Clause.

If Mr. Sharma shall at any time be prevented by ill-health or accident or any physical or mental disability from performing his duties hereunder, he shall inform the Company and supply it with such details as it may reasonably require, and if he shall be unable by reason of ill-health or accident or disability for a period of 90 days in any period of twelve consecutive calendar months to perform his duties hereunder, the Company may forthwith terminate his employment hereunder.

The Company shall be entitled to terminate Mr. Sharma's employment as the Managing Director and/or his office as Director forthwith, if he becomes insolvent or makes any composition or arrangement with his creditors or ceases to be a Director of the Company.



If Mr. Sharma is guilty of inattention to or negligence in the conduct of the business or any other act or omission inconsistent with his duties as the Managing Director or any breach of this Agreement, which in the opinion of the Board, renders his retirement from office of the Managing Director desirable, the Company by not less than 90 days' notice in writing to Mr. Sharma, determine this Agreement and upon his expiration of such notice Mr. Sharma shall cease to be a Managing Director of the Company.

Notwithstanding anything to the contrary contained above or under the said Agreement, either party shall be entitled to terminate the Agreement at any time by giving to the other party 6 months' notice in writing in that behalf without the necessity of showing any cause. Upon receipt or delivery of notice of termination of the employment relationship, the Company may elect to release Mr. Sharma forthwith from active duties. Such release will, however, not affect compensation payments payable to Mr. Sharma during the 6 months' notice period. On the expiry of the period of such notice, this Agreement shall stand determined and in view thereof and as a consequence of such termination by notice, Mr. Sharma shall cease to be a Managing Director of the Company.

The terms and conditions of the said appointment and or Agreement may be altered or varied or modified from time to time by the Board of Directors of the Company as may be permissible and if deem fit, with liberty to the Board of Directors of the Company for annual review of remuneration, so as not to exceed the limits specified in the Companies Act 2013 or any amendments made thereto.

The Board recommends the passing of the resolution set out at Item No.5 of the accompanying Notice.

Mr. Sanjeev Sharma is concerned or interested in the resolution since it relates to his re-appointment as a Managing 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 Ordinary Resolution.

Relevant details of Mr. Sanjeev Sharma are provided in the Annexure.

#### **Item No. 6 - Appointment of Ms Carolina Yvonne Granat as a Director:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on February 10, 2022, appointed Ms. Carolina Yvonne Granat (DIN: 09477744), as an Additional Director (Non-Executive and Non-Independent) of the Company effective April 1, 2022, pursuant to Section 161 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 144 of the Articles of Association of the Company. In terms of Section 161 of the Act, appointment of Ms. Carolina Yvonne Granat requires approval by the Members in this Annual General Meeting.

Considering the skills, qualifications and vast experience of Ms. Granat, the Nomination and Remuneration Committee and the Board considered that the association of Ms Granat as a Director of the Company will be highly beneficial to and in the interest of the Company. She will not receive any remuneration in the form of Commission from the Company.

The Board recommends the passing of the resolution set out at Item No.6 of the accompanying Notice.

Ms. Granat is concerned or interested in the resolution since it relates to her 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 Ordinary Resolution.

Relevant details of Ms Granat are provided in the Annexure.

#### **Item No. 7 - Commission to the Independent Directors of the Company:**

At the 67<sup>th</sup> Annual General Meeting of the Members of the Company held on May 9, 2017, the Company had obtained the approval of the Members by a Special Resolution for payment of commission to the Non-executive Directors, upto an amount not exceeding in the aggregate 1% per annum of the net profits of the Company, the validity of which has expired on December 31, 2021.

Keeping in view the increased responsibilities of the Independent Directors entrusted by the Companies Act, 2013 and the Listing Regulations, as well as for their valuable devotion and continuing meaningful contributions, it is considered appropriate that the Independent Directors of the Company are compensated reasonably, commensurate with their increased responsibilities.

It is therefore proposed that Independent Directors be paid remuneration by way of commission of an amount, not exceeding in the aggregate 1% per annum of the net profits of the Company, computed in accordance with Section 198 of the Companies Act, 2013, in accordance with the recommendations of Board of Directors of the Company, for a period of five years commencing from January 1, 2022. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

Since the Company has a Managing Director, the commission payable to Non-Executive Directors, pursuant to Section 197(1) of the Companies Act, 2013 cannot exceed in the aggregate 1% of the net profits of the Company.

Section 197 of the Companies Act, 2013 read with Article 147 of the existing Articles of Association of the Company, requires the approval of the Members of the Company in General Meeting by a Special Resolution for the payment of remuneration by way of commission to Independent Directors of the Company. Hence, the Special Resolution at Item No. 7 of the Notice.

Details of commission and sitting fees paid to Independent Directors during the Financial Year 2021 is provided in the Corporate Governance Report which is annexed to the Board's Report.

The Special Resolution at Item No. 7 is recommended for approval by the Members.

Each of the Independent Directors namely, Mr. V K Viswanathan, Ms. Gopika Pant and Mrs. Renu Sud Karnad who is eligible to receive remuneration by way of commission as aforesaid is interested in the Special Resolution to the extent of the commission payable to them individually.

None of the other Directors and / or Key Managerial Personnel of the Company and / or their respective relatives, is concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.7 of the Notice.

#### **Item No. 8 - Approval of remuneration to the Cost Auditor of the Company for Financial Year 2022:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on February 10, 2022, 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, 2022.

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 require approval 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 for the payment of remuneration amounting to ₹25,00,000/- (Rupees Twenty Five lakh only) per annum plus applicable taxes and out of pocket expenses actually incurred for Cost Audit for the financial year ending December 31, 2022.

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

Trivikram Guda  
Company Secretary  
ACS-17685

Place: Bengaluru  
Date: February 10, 2022

Registered Office:  
Disha – 3rd Floor, Plot No. 5 & 6, 2nd Stage  
Peenya Industrial Area IV, Peenya, Bengaluru - 560 058  
Karnataka, India  
CIN: L32202KA1949PLC032923

# Annexure to AGM Notice

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING [PURSUANT TO SECRETARIAL STANDARD 2 (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) AND REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015]

## 1. Mr. Morten Wierod

Name of the Director	Morten Wierod
Director Identification Number (DIN)	08753868
Date of Birth / Age	30.4.1972 / 49 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. Wierod is 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 21 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	During the Financial Year 2021 he has attended 7 Board meetings
Directorships, Memberships / Chairmanships of committees of listed entities Boards as on December 31, 2021 [along with listed entities from which the person has resigned in the past three years]	<b>Directorships</b> <b>ABB India Limited</b> <b>Committee Membership / Chairmanship</b> Nomination and Remuneration Committee of ABB India Limited (Member) Mr. Wierod has not resigned from any listed entities from past three years

## 2. Mr. Sanjeev Sharma

Name of the Director	Sanjeev Sharma
Director Identification Number (DIN)	07362344
Date of Birth / Age	10.11.1965 / 56 years
Date of Appointment on the Board	11.06.2021 (w.e.f. 01.01.2022 for the current term)
Qualification	Graduate in Electronics and Telecommunications Engineering and Executive Master Degree in Business Administration
Brief profile and nature of their expertise in specific functional areas	Mr. Sharma joined ABB in the year 1990 and managed various local business units and divisions in India, Switzerland, Germany and Malaysia. Mr. Sharma prior to his appointment as Managing Director of the Company, held the position of Global Managing Director for the Low Voltage Systems business unit at Malaysia.
Current remuneration (last drawn remuneration)	Rs. 6,73,13,813/- per annum
Details of remuneration sought to be paid	Rs. 5,55,00,000/- per annum (plus other benefits as per agreement)
Shareholding in the Company	NIL
Key terms and conditions of appointment	He is a Non-independent Managing Director of the Company. He is required to comply with the applicable provisions of the Companies Act, and SEBI Regulations and other applicable laws. Other key terms of appointment are part of the Notice to the AGM.
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 2021 he has attended 7 Board meetings
Directorships, Memberships / Chairmanships of committees of listed entities Boards as on December 31, 2021 [along with listed entities from which the person has resigned in the past three years]	<b>Directorships</b> <b>ABB India Limited</b>

	<b>Committee Membership/ Chairmanship</b> Stakeholders Relationship Committee of ABB India Limited (Member) Risk Management Committee of ABB India Limited (Member) Corporate Social Responsibility Committee of ABB India Limited (Member) Mr. Sharma has resigned from Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) as Director effective February 25, 2021, apart from this he has not resigned from listed entities in past three years
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### 3. Ms. Carolina Yvonne Granat

Name of the Director	Carolina Yvonne Granat
Director Identification Number (DIN)	09477744
Date of Birth / Age	14.02.1972 / 49 years
Date of Appointment on the Board	10.02.2022 (w.e.f. 01.04.2022)
Qualification	Master in Human Resources
Brief profile and nature of their expertise in specific functional areas	Ms. Granat is currently working as Chief Human Resources Officer. She is a Member of the Group Executive Committee of ABB Ltd, Switzerland. She is having more than two decades of rich experience in Human Resources Management, Talent and Performance management, People development, etc in multi-national and consulting firms.
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	She will be a Non-executive Non-independent Director of the Company. She will be 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	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.	Not applicable.
Directorships, Memberships / Chairmanships of committees of listed entities Boards as on December 31, 2021 [along with listed entities from which the person has resigned in the past three years]	NIL Ms. Granat has not resigned from any listed entities from past three years

As per amended Regulation 36 of the Listing Regulations, details of Directorship / Membership of Committees in listed entities are provided. Directorships in foreign companies, membership in governing councils, chambers and other bodies, partnership in firms etc., are not provided.





# Sustainability in practice







## Nashik Campus, Maharashtra

- Factory building awarded the Green Factory Building Certification by IGBC\*
- Enhanced green power utilization by 16% as compared to previous year
- Increased water recyclability by around 5% as compared to previous year
- Waste recyclability around 97%
- Supplies made in India power distribution products globally to over 120 countries

\* Plant-1 one of the major plant

# Board's Report

Your Directors have pleasure in presenting their Seventy Second Annual Report and Audited Accounts for the year ended December 31, 2021.

## 1. Financial Results:

Particulars	(₹ in Crores)	
	For the year ended	
	December 31, 2021	December 31, 2020
Profit before tax and exceptional items	585.85	230.59
Profit before tax and after exceptional items	707.19	289.38
Tax expense:		
- Current tax	176.85	71.71
- Deferred tax	10.63	(1.55)
Profit after tax	519.71	219.22
Other comprehensive income/ (loss) (net of tax)	25.05	(28.18)
Balance brought forward from previous year	921.17	834.90
Amount available for appropriation	1,465.93	1,025.94
Demerger adjustment	-	-
Change in Accounting Policy (Net of Tax)	-	(3.05)
<b>Appropriations:</b>		
Equity dividend paid	105.95	101.72
Tax on equity dividend paid	-	-
Balance carried forward	1,359.98	921.17

## 2. Dividend:

Your Directors recommend payment of a dividend at the rate of Rs. 5.20 (Rupees Five and paise Twenty only) per share for the year ended December 31, 2021 on 211,908,375 equity shares of ₹ 2/- each.

## 3. Share capital:

During the year under review, there was no change in share capital of the Company.

## 4. Performance review:

During the year, orders from continuing operations touched ₹ 7,666 crore as against ₹ 5,932 crore in the Previous Year. The year 2021 was a year of unprecedented challenges, but the Company's agile business model helped to navigate headwinds and deliver consistent profitable performance for the year. The order backlog at the end of the year held steady at ₹4,912 crore which continued to provide visibility to the future revenue streams. The revenue from continuing operations for the Company for the year 2021 stood at ₹6,934 crore as against ₹5,821 crore in the previous year, reflecting a year of unprecedented changes brought about by the pandemic. For the full year, the Company's profit before tax stood at ₹724 crore (after accounting for net impact of ₹121 crore due to exceptional items) compared to ₹304 crore in 2020. Profit after tax for

the year was ₹532 crore as compared to ₹230 crore last year. On an overall basis, the catalysts for improved profitability include efficient opex management, better mix, improved service and product revenues, supported by a sharp focus on cost savings. The earnings per share for 2021 stood at ₹25.13 per share as compared to ₹10.87 per share in 2020 for continuing operations without Power Grids.

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

## 5. Annual Return:

The Annual Return of the Company as on December 31, 2021 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at: <https://search.abb.com/library/Download.aspx?DocumentID=9AKK108466A7342&LanguageCode=en&DocumentPartId=&Action=Launch>



**6. Board Meetings held during the year:**

During the year, seven 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.

**7. 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) and that their names have been included in the data bank of Independent Directors as prescribed under the Act. In the opinion of the Board, the Independent Directors of the Company possess necessary expertise, integrity and experience.

**8. Nomination and Remuneration Policy of the Company:**

The Nomination and Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel (KMP) 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, KMP and Senior Management Personnel, 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, takes into consideration the qualification, attributes, experience and independence of the candidate. Director(s), KMP(s) and Senior Management Personnel appointment and remuneration will be as per NRC Policy of the Company.

The salient features of the Nomination and Remuneration Policy of the Company has been disclosed in the Corporate Governance Report, which is a part of this report. The said Policy is available on the Company's website on <https://new.abb.com/indian-subcontinent/investors/documents-policies>

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 - B**, forming part of this report.

**9. 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](http://www.abb.co.in)

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

Your Company has not borrowed any loan or provided any guarantee and / or made any investment within the meaning of Section 186 of the Act during the year under review.

**11. 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.

**12. 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 that occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

**13. 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 - C**, forming part of this report.



**14. 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, risk reporting and carries out other related activities as per the Listing Regulations. 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.

**15. 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. The Company's focus on CSR activities are pre-dominantly in the areas of Education, Diversity and inclusion in the fabric of society, Environment and Social Issues of the Communities.

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 – D**, forming part of this report.

**16. 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. The Board evaluation was conducted through questionnaire designed with qualitative parameters and feedback based on ratings.

The key parameters considered for Board evaluation for Financial Year 2021 are Board Membership, Board's Culture and Relationships with Key Constituencies, Board Responsibilities, Decision Making and Board Committees. During evaluation process, the Directors have given rating of either 'Strongly agree' / 'Agree' on various assessment questions for Financial Year 2021 which is very encouraging.

The performance of the committees was also evaluated after seeking inputs from the committee members on the basis of criteria such as the composition of committees, independence of each Committee, frequency of meetings and time allocated for discussions at meetings, effectiveness of committee meetings, etc.

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.

**17. 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.

**18. Sale of Company's Turbocharger Business:**

Based on the decision of ABB Group globally and due to declining diesel engine market segment in India combined with restricted access to global technology and operational network, Turbocharger business would not be sustainable and hence felt by the Company's management that it would be worthwhile to exit from the said business by divesting/selling. Hence, at the Board Meeting held on December 21, 2021 based on the recommendation of the Audit Committee, it was decided to divest/sale Company's turbocharger business in the process automation business segment ("Turbocharger Business") as a going concern, on a slump sale basis to a wholly owned subsidiary, to be incorporated by the Company for consideration price of ₹310 crores which was arrived based on the average price of valuations derived by valuers appointed by the Company.

For the purpose of transfer of Company's Turbocharger Business, the Board has also approved to incorporate a wholly owned subsidiary. Accordingly, your Company has incorporated its wholly owned subsidiary i.e., Turbocharging Industries and Services India Private Limited, on January 31, 2022.

**19. Names of companies which have become or ceased to be Subsidiaries, joint ventures or associate companies during the year :**

During the year under review, no company has become or ceased to be Subsidiaries, joint ventures or associate companies.

However, based on the recommendation of the Audit Committee and the Board at its Meeting held on December 21, 2021 has approved to incorporate a wholly owned subsidiary ("WoS") and to invest ₹315,00,00,000 (Rupees Three Hundred Fifteen Crores only) in the WoS by way of equity infusion and subscription to the memorandum of association of the WoS. Accordingly, your Company has incorporated its WoS i.e., Turbocharging Industries and Services India Private Limited, on January 31, 2022.

**20. 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 here in below:

During the financial year various lease and service agreements have been entered with Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited). These transactions fall within the definition of Related Party Transaction under the provisions of Section 188 of the Companies Act, 2013 (the Act), 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-E**.

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.

The Company has appointed Ernst & Young LLP (EY) to review the approved Related Party Transactions, to verify and ensure and confirm that the transactions carried out were in the ordinary course of business and at arm's length basis. EY submits its Report to the Audit Committee at its meetings on quarterly basis.

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: <https://new.abb.com/docs/librariesprovider19/default-document-library/related-party-transaction-policy.pdf?sfvrsn=2>

**21. 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.

**22. Transfer to Investor Education and Protection Fund:**

As required under Section 124 of the Act, the unclaimed dividend amount aggregating to Rs.32.16 lakh lying with the Company for a period of seven years pertaining to the financial year ended on December 31, 2013, was transferred during the Financial Year 2021, to the Investor Education and Protection Fund established by the Central Government.

**23. 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 - F**, 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 72<sup>nd</sup> Annual General Meeting.

**24. Directors' Responsibility Statement:**

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

- (a) that 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, 2021 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.

**25. Disclosure on confirmation with the Secretarial Standards:**

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

**26. 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 – G** and **Annexure – H** respectively, forming part of this report.

**27. Business Responsibility and Sustainability Report:**

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

**28. 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](http://www.abb.co.in)

## 29. Directors and Key Managerial Personnel:

Mr Jean-Christophe Deslarzes (DIN: 08064621), Chairman & Non-Executive, Non-Independent Director resigned from the office of Chairman and Director with effect from February 10, 2021 before the expiry of his term. Consequently, the Board of Directors of the Company at its meeting held on February 10, 2021 appointed Ms. Maria Rosaria Varsellona (DIN: 08892891) as Director (Non-executive and Non-independent) of the Company effect from February 10, 2021 liable to retire by rotation and which was approved by the Shareholders at the Annual General Meeting held on April 28, 2021.

The Board of Directors of the Company at their meeting held on February 10, 2021 appointed Mr Morten Wierod (DIN: 08753868), Non-Executive Non-Independent Director as Chairman of the Board of Directors of the Company.

Ms. Gopika Pant (DIN: 00388675) was appointed as Independent Director by the Board of Directors effect from April 27, 2021 for term of three consecutive years effective April 27, 2021 and which was approved by the shareholders through postal ballot on June 26, 2021.

Mr Darius E Udawadia (DIN: 00009755), Independent Director resigned effect from April 28, 2021 and Ms. Maria Rosaria Varsellona (DIN: 08892891), Non-executive Non-independent Director resigned effective March 31, 2022.

Subject to approval of the shareholders, Mr. Sanjeev Sharma (DIN: 07362344), was re-appointed as Managing Director on June 11, 2021 by the Board of Directors for a term of five consecutive years effect from January 1, 2022. Accordingly, the proposal for his re-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 February 10, 2022 appointed Ms Carolina Yvonne Granat (DIN: 09477744), as Director (Non-executive and Non-independent) of the Company with effect from April, 1, 2022, liable to retire by rotation, subject to approval of the Shareholders. Accordingly, the proposal for her appointment is included in the Notice of Annual General Meeting for approval of the Shareholders of the Company. Necessary Notice under Section 160 of the Act has been received from Members proposing the candidature of the aforesaid Director of the Company.

In accordance with the provisions of the Act read with Article 157 of the Articles of Association of the Company, Mr. Morten Wierod, Director, will retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

Due to unfortunate demise of Mr. B Gururaj, Company Secretary of the Company, on April 12, 2021, Mr. Sunil L Naik (ACS 15414) was appointed as the Company Secretary and Compliance Officer of the Company by the Board of Directors effect from October 6, 2021. Consequent to the resignation of Mr. Naik on December 21, 2021, Mr. Trivikram Guda (ACS 17685) was appointed by the Board as the Company Secretary of the Company who will be a Key Managerial Personnel and Compliance Officer of the Company effect from December 22, 2021.

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.

As on date, Mr. Sanjeev Sharma (DIN: 07362344), Managing Director, Mr. T.K. Sridhar, Chief Financial Officer, and Mr. Trivikram Guda, Company Secretary are the Key Managerial Personnel of the Company.

## 30. 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, of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

## 31. 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.

## 32. 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.



### **33. 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 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 2021, one complaint of sexual harassment was received, which is under investigation. Except the case mentioned herein, there is no other complaint of sexual harassment pending as at the date of this report.

### **34. Statutory Auditors:**

M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022), were appointed as Statutory Auditors of the Company at the 67th AGM held on May 9, 2017, to hold office till the conclusion of the ensuing 72<sup>nd</sup> AGM.

M/s. B S R & Co. LLP, Chartered Accountants are eligible to be re-appointed for a further term of 5 (five) years, in terms of provisions of Sections 139 and 141 of the Act.

Accordingly, the Board of Directors of the Company at their meeting held on February 10, 2022 on the recommendation of the Audit Committee and subject to the approval of the shareholders of the Company at the ensuing AGM, have approved the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors, for a further period of 5 (five) years from the conclusion of the 72<sup>nd</sup> AGM.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from M/s. B S R & Co. LLP. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Auditors have issued an unmodified opinion on the Financial Statements, for the financial year ended December 31, 2021. The said Auditors' Report(s) for the financial year ended December 31, 2021 on the financial statements of the Company forms part of this Annual Report.

### **35. 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, 2022, on a remuneration as mentioned in the Notice convening the 72<sup>nd</sup> 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 72<sup>nd</sup> Annual General Meeting of the Company and same is recommended for your consideration.

Cost Audit and Compliance reports for the year 2020 were filed with the Registrar of Companies, within the prescribed time limit.

**36. Insolvency and Bankruptcy Code, 2016:**

During the financial year, neither any application nor any proceeding is initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

**37. Settlements with Banks or Financial Institutions:**

During the financial year no settlements were made by the Company with any Banks or Financial Institutions.

**38. 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, 2021. The Secretarial Audit Report along with their observations is given in **Annexure- I**, forming part of this report.

**39. Change of Registered Office:**

Effective October 6, 2021, your Company's Registered Office address is updated as "Disha – 3rd Floor, Plot No. 5 & 6, 2nd Stage, Peenya Industrial Area IV, Peenya, Bengaluru - 560 058, Karnataka".

**40. 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

Morten Wierod  
Chairman  
DIN: 08753868

Place: Bengaluru

Date: February 10, 2022

# Annexure – A to Board's Report

## Management Discussion and Analysis

### Economic and market overview

2021 was a year which could be divided into two contrasting halves. The first half witnessed the second wave of the raging pandemic with a sharp increase in cases and localized restriction of activities and lockdowns. The start of the vaccination drive in the country did initially lead to a momentary recovery, however, the resurgence of the virus across the globe brought in renewed market uncertainty and unpredictability right at the end of the year.

The second half of the year was marked by a strong recovery. The experiences of 2020 in managing the pandemic were used by various sectors. The market recovered in India with improving macro backdrop, decreasing case load and global recovery. Customer-connect was enhanced as travel and service had resumed and the movement of goods internationally made export prospects more robust. However, issues of shortage in select commodities like plastics and semi-conductors impacted global and local supply chains.

The Government continued its efforts in mitigating the impact of the pandemic. The recovery witnessed the revival of industrial production in select sectors as per various indicators. Several high frequency indicators like E-way bills, rail freight, port traffic, GST collections and power consumption demonstrated a V-shaped recovery during the year. Mining, manufacturing, and electricity sectors recorded double digit growth over significant declines during the period in 2020.

The Government had also announced the production linked incentive (PLI) scheme worth USD 26 billion for 14 key sectors. These included sectors like telecom and network products, semi-conductors, automotive and auto components. The year also witnessed the launch of the National Master Plan - Gati Shakti for multimodal connectivity infrastructure development. This would be complementing the existing push for infrastructure development by the Government with a digital platform - bringing 16 ministries including Railways and Roadways together for integrated planning and co-ordinated implementation of infrastructure connectivity projects.

Like previous year, the central bank intervened with proactive measures to maintain financial stability and fight inflation in pandemic times. The gains from Indian bourses, for most part of the year (six months plus), outpaced that of emerging market indices. The same was the story with the Indian Rupee; while it remained range-bound and performed well in the beginning of the year, the FII sell-offs towards the end of the year, a steady dollar rebound and high moving crude prices, kept it under considerable pressure. As per the first advance estimate of GDP by the Ministry of Statistics and Program Implementation, the GDP figure is almost set to touch double digits for FY22. In the first half of the fiscal, India attracted USD31.1 billion of FDI equity inflows, up 4% year-on-year.

The company continued its focus on solid growth fundamentals whilst reinforcing highest ESG standards with resilience. The Company also took measures to take care of the health and safety of employees with a Pan-India vaccination program, navigating the second wave with all possible resources deployed for employees, partners, suppliers' wellbeing, and a sharp focus on mental health. The Company's agile business model and portfolio ensured conversion of opportunities during the recovery period of the second half. This was ensured by deploying digital technologies for business continuity and strict adherence to working protocols to ensure employee health and safety. Cost efficiency programs together with strategic investments for new facilities, product launches, and launch of online business models supported our growth.

### Operational overview

The contrasts and volatility of 2021 tested the agility and resilience of existing corporate business models across sectors and geographies. The advent of another wave was on the anvil from the last week of the year. The company balanced its focus on employees, partners' well-being while navigating business continuity and cost and cash management.

The central and the location taskforces for Covid-19 management deployed a multi-pronged strategy under the guidance of the country management. Relevant information advisories, online repositories were created for quick access. Teams were created to facilitate access and source medical resources from hospital beds to concentrators. Employee Assistance Programs and various mental health awareness initiatives were launched to engage and comfort employees across locations. Adjustments in operations were made to ensure one complied with various local Government protocols on Covid-19 management including micro-localized lockdowns. Simultaneously, the CSR and community outreach teams also ensured ABB's support to various community initiatives across locations with funding as well as required resource addition in kind, to add to existing medical infrastructure.

ABB's portfolio of sustainable technology solutions was deployed across a wide range of sectors, rendering efficiency & productivity during the year. For instance :

- ABB's soft starters minimized water wastage in Shimla
- Our electrification solutions and water flowmeters optimized water distribution in the city of Surat
- The company's energy efficient drives were commissioned for Bharat Biotech, the pharma major and leading vaccine manufacturer; the company's HVAC drives also contributed to the Chennai Metro project
- ABB's robotics solutions will be an integral part of OLA's new mega electric scooter factory driving sustainable and efficient solutions
- ABB's electromagnetic braking system deployed for Tata Steel
- Remote commissioning of modernization project for leading paper manufacturer Bilt Graphic
- A large order won by the energy division for the second largest lube plant in the world

ABB's automation solutions continued to partner the industrial growth journey of the nation.

The focus on identified high growth segments also yielded results. Multiple data centers in Indian cities installed ABB GIS, e-houses, switchgears and other low and medium voltage equipment. In power distribution, ABB digital compact secondary substations (CSS) powered smart cities like Indore and tunnels for the Rapid Transit system. Partnering the clean energy drive of the nation, ABB's SCADA and RTU for City Gas Distribution (CGD) network for a diversified energy major is in the process of being deployed in 7 states, which will facilitate the shift to a cleaner gas-based economy. The doubly fed induction generators remain the heart of wind energy systems across the country. Another sector in focus is the Food and Beverage (F&B) sector where ABB's robotics solutions, including the end of line palletization ones, significantly contributed.

While serving our customers, the Company 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 98.1 percent in 2021. To inculcate a culture of safety vigilance, Safety Observation Tours (SOTs) are encouraged as a practice by employees. The numbers of SOTs per employee more than doubled, helping us reduce our total incident rate. On the environment front, ABB India operations have been successful in recycling ~95 percent of its waste, freshwater usage has been reduced by 25 percent from previous year and we have sourced 43 percent of our power from green energy. 2021 was also the year of multiple green infrastructure projects. Walking the talk on sustainability, we shifted to a new country and business office building- AI-enabled Disha, which was upcycled from an existing building to a state-of-the-art energy efficient building. It was also the first installation of ABB's integrated building management systems potentially saving ~25 percent of energy. The Nelamangala manufacturing campus in Bengaluru became water positive, certified by TERI and was also given the platinum LEED rating by IGBC. Peenya campus and Disha building also received gold LEED rating.

In 2021 despite the pandemic impact, the Company was able to leverage the rebound in the market to a large extent. The orders were at INR 7,666 crore - a growth of 29% over 2020. The Company posted a revenue of INR 6934 crore, growth of 19 percent over 2020, leveraging ABB's portfolio offerings and digital technology leadership in growth sectors like F&B, datacenters, transportation, energy efficiency, building automation, etc.

Profit after tax was at INR 532 crore in 2021 compared to INR 230 crores in 2020. Consequently, the earnings per share for 2021 stood at INR 25.13 per share as compared to INR 10.87 per share in 2020.

### Operational excellence

2021 was the year when the ABB Way model of working got further consolidation with each of the our divisions taking full ownership and accountability for their respective strategies, performance and resources. Together with our common values, strong brand and governance framework, the ABB Way will continue to lead the Company to become a more focused, successful, value-creating organization.

In 2021, in a major drive towards green power enabled manufacturing, our Faridabad facility which ramped up manufacturing of low voltage motors, was powered by 100% renewable energy.



While virtual trainings and webinar sessions continued through the year, a virtual customer connect program, led by Process Automation and joined in by other business areas, was organized in the north eastern region of the country. Embedding sustainability and ABB Purpose across business areas was the guardrail while striving for excellence.

The Company during the year also completed the last leg of the demerger of the Power Grids business. Also, aligned with the global decision for a more focused portfolio, the year witnessed the completion of transaction on the divestment of Mechanical Power Transmission business and Board approval for creating a wholly owned subsidiary for turbocharger business.

### Outlook

The pandemic situation continues to be uncertain, being driven by the variants of the virus. However, the large-scale vaccination programs - touching 70% of the adult Indian population with both doses, subsequent booster doses, and the start of vaccination for the younger populace would be a key factor in gaining confidence in the fight against the virus. Other significant factors to watch out for would be supply chain concerns and possible easing out, inflation, demand revival led by pandemic recession and the elections across five states.

Government initiatives like self-reliance in marketing, production linked incentives to encourage greater localization as well as stimulus packages for greater job creating sectors are likely to continue. The focus on infrastructure, transport, water and waste-water, urban planning, and affordable housing are expected to continue their multiplier effect. The resilient nature of certain segments and industries is reflected in the signs of revival witnessed in some key segments like datacenters, renewables, electronics, F&B and pharmaceuticals. Some end markets, particularly conventional power generation, mining and steel continue to witness short term stress. Global volatility in trade balances, easing of monetary policy pressures, capital expenditure specially to improve supply chains, with its impact on inflationary pressures, currency and commodity price movements will be closely monitored.

The Company has identified and worked on these areas of high growth mentioned earlier, which has paid dividends. ABB India will continue its value-based engagements with the customers, focus on order wins and seamless execution across projects while looking at modernization of existing capacities and adopting digitalization.

## Electrification

### Summarized performance:

Particulars*	(₹ in crore)	
	2021	2020
Orders	2,725	2,325
Order backlog	1,316	1,316
Revenue	2,752	2,222
Results (Profit before interest & tax)	306	234

### Segment performance

Electrification business continued to enforce segment strategy with dedicated resources to capture opportunities in the changing market dynamics. Despite the impact of Covid-19, segments continued to provide a consistent pipeline of prospects and growth. Segment application-specific webinars helped the Company in greater customer engagement and follow-up on the customer-centric activities. Strong growth in segments like railways, buildings, datacenters, e-mobility amongst others, only reinforces our commitment to address and invest further in these high growth segments.

The business's digital sales also saw a deeper penetration in segments like O&G, utility, and industry in general. ABB's eMart, an online marketplace is evolving with more features to enable customers from B2B and B2C environments to get access to our products and technology remotely. We continue to invest in an end-to-end approach with customers and focus on bringing the latest in electrification technology and innovation to the entire customer value chain.

### Major orders booked during the year:

- New Product ConVac supplied to various panel builders, introduced vacuum circuit breakers with HCEP insulators
- Breakthrough order for supply & installation of 33kV GIS Substation (E Houses) including associated Civil works for Hyperscale Data Center in Noida
- First order of New product 'Prime Gear' 11kV GIS for 33/11 KV Substation in Varanasi (Honorable Prime Minister's Constituency)
- Order for IS Limiter from India's largest car manufacturer
- Bagged various orders for home charging solutions luxury Car OEMs and AC & DC EV charger orders from the biggest Charge Point network operators in India
- Order for LV panel up-gradation from NTECL (NTPC Tamil Nadu Energy Company Limited)
- First order for the supply of 25kV GIS for first Semi High Speed Rail project in India
- First order for state-of-the-art MNS LV Switchboards for Metro segment (Kolkata Metro)
- Bagged significant orders for AIS, MV & LV Service from one of the leading Mining companies (Vedanta) in Odisha

### Major orders successfully commissioned/supplied during the year:

- Successfully commissioned AIS for Kanpur Metro inaugurated by Honorable Prime Minister in Dec'21
- Proud to be associated with Indore Smart City Development to support Indore Smart City with our next-generation digital technology of Compact Secondary substations (CSS), enabling continuous electricity supply to 2300+ homes and businesses
- ABB supplied Soft starters helped Shimla to get access to uninterrupted water supply
- Successfully retrofitted & commissioned LV Switchgears in South India's Glass Manufacturing Plant
- Successfully installed AC & DC Electric Vehicle Chargers by our Charge Point operators from Leh in the north to Madurai in the south and from Surat in the west to Arunachal Pradesh in the east
- Successfully installed & commissioned MV AIS, RMU and Transformers catering to the first phase of a data center development in Hyderabad

### Segment outlook

Reinforcing segment strategy with dedicated resources to capture opportunities in the changing market dynamics. Strong focus will continue in high growth segments viz. Datacenter, F&B, Renewables, Rail, Buildings & e-mobility. The dedicated end user focus & continued emphasis on customer proximity through eMart and customized webinars will help the business grow.

### Motion

#### Summarized performance:

	(₹ in crore)	
Particulars	2021	2020
Orders	2,878	2,314
Order backlog	1,785	1,505
Revenue	2,592	2,238
Results (Profits before interest and tax)	324	242

### Segment performance

In 2021, the Motion business area witnessed a period of resilient growth, marked by several key opportunities and milestone projects that set the business on the road to recovery. There was a strong turnaround in the major industrial sectors as the economy showed signs of revival, aided by significant progress in vaccination, targeted fiscal relief, and monetary policy. However, challenges persisted, due to the volatility of the pandemic situation and the Motion business was prepared to successfully navigate through the ups and

downs last year. Robust growth in Channel Partner business and export orders improved the topline. Motion's Channel Partner business surpassed the 1,000-crore milestone for the first time in 2021. Exports were at an all-time high with a record growth of 114 percent over the previous year. Package orders booked till the end of December 2021, formed 12 percent of the total third-party orders.

Sustainability continued to remain a key priority for the business. Last year, the Motion business area launched its global flagship Energy Efficiency Movement in India, a multi-stakeholder initiative to raise awareness and initiate action to combat climate change.

### Major orders booked during the year

- Bagged a major order for delivering 149 units of wind generators
- Won an order worth from a steel major for a blast furnace project
- Delivered all in one drive solution to Stelis Biopharma in Bangalore, to ensure safe and reliable vaccine manufacturing
- Received an order for 33 sets of Propulsion Equipment from Chittaranjan Locomotive Works
- Supplied active front-end variable speed drives (VSDs) to support the ventilation system of the Chennai metro line, India's fourth-largest metro system
- Major order from Knorr-Bremse Group to supply 200 units of ACS560 drives for Pune metro line
- Received an order from Megha Engineering for a water project
- Won a strategic order from a cement major for greenfield cement projects
- Received the first major order for 1000 motors from Bangladesh

Key project commissioning, milestones, and product launch during the year

- Commissioned ACS560 drives at Bharat Biotech's facility in Hyderabad, for the safe manufacturing of Covaxin
- Sharpened portfolio focus with the expansion of Faridabad facility, adding two new products – the flameproof and M3BP motors
- Rolled out the first high voltage pressurized motors for explosive areas for chemical and oil and gas segments from the Vadodara factory
- eMart marked its first-year anniversary, by recording 26X growth in organic users since its launch.

## Segment outlook

Metals, cement, water and wastewater, food and beverage, and pharmaceutical segments outperformed, but oil and gas faced a challenging period. In 2022, material availability might take time to ease out, but the markets are expected to stay robust. With a clear focus on growth, quality, and sustainable product offerings, the Motion business area is well-poised to meet its business KPIs.

## Process Automation

### Summarized performance:

(₹ in crore)		
Particulars	2021	2020
Orders	1,933	1,208
Order backlog	1,744	1,219
Revenue	1,403	1,285
Results (Profits before interest and tax)	128	57

## Segment performance

With the slowdown in economy, the businesses were required to scale up their efforts to leverage the limited potential and make up for the demand slump. While the concerns around the third wave looms, there was a pickup in the business demand with the receding second wave and relaxations for businesses. Sustainability continues to be a key focus area for Governments, companies, communities, and individuals. Companies like ABB have committed to reduce carbon emissions consistent with the UN Sustainability Development Goals (SDGs).

Digital became the new normal with teams offering remote support to customers, commissioning projects remotely, and even conducting FATs remotely. Travel restrictions also had an impact on service performance while to some extent exports contributed to revenue conversion.

Investments gained traction in Cement, Mining and Mineral Processing industries. Planned projects continue to move ahead, with some delays owing to the pandemic. Steel, a vibrant sector historically, witnessed a 25 percent rise in production in the first eight months of 2021. Cement sector, though, faced headwinds registering a negative growth in Q2 but gradually picked up ending the year on a strong note. The year was marked by order growth of Energy division in key segments like oil & gas, specialty chemicals, life sciences and gas/liquid transportation and distribution. The division also won a large order for the world's second largest lube plant.

## Major Orders won

- Secured an order from a leading paint maker for Control & Instrumentation Package helping the company achieve higher efficiency and productivity improvements
- Bagged a large order from oil and gas major for an Integrated DCS & ESD System enabling seamless control and monitoring for the assets
- Major automation order from a leading pharmaceutical company for setting Pharma 4.0 systems in a greenfield project, supporting the customer in meeting strict FDA norms for manufacturing of API and drugs
- Secured Turbo Marine Care service agreement contract for 5 years with Bernhard Schulte Ship management company
- Secured service agreement contract with Vedanta Limited (Cairn Oil & Gas) for turbochargers installed at their facilities
- Electricals package for a leading minerals processing player at Lanjigarh, Alumina Refinery expansion project
- Motors, Drives and Automation package for market leaders of stainless steel in India for their Annealing and Pickling line
- The company completed melt shop digitalization project with JSW Steel at their Dolvi works plant boosting productivity and profitability
- The Company commissioned digital platform integration for Sunflag Steel to enable better metals plant decision making

## Segment outlook

As the economy slowly opens, businesses are expected to recover gradually, even though initially at a slow pace, with some segments are picking up faster than others. Government of India's push on infrastructure projects like Smart Cities, Housing for All, Highways and Airports is driving the demand for steel and cement. The manufacturing sector looks promising especially with Government-led initiatives for steel sector and other policy reforms. Policy support like 100 percent FDI in select sectors, National Steel Policy, and favorable equipment and machinery import policies are likely to boost domestic production in steel and mineral processing industry. Data center industry is expected to grow at a CAGR of 12 percent due to Digital India initiative and Investments from colocation service providers for BFSI, ecommerce, transportation sector, and mobile service providers.

Industries are slowly opening up to investments in digitalization with focus on improving productivity, reliability, energy efficiency and safety. Digital solutions therefore is also expected to play a larger role in demand recovery. Industries are also looking at digital transformation to prepare well for such unexpected disruptions and bring more modularity and agility to operations. In the utilities segment, energy transition, management and energy stability are likely to continue as the key drivers of growth.

**Robotics and Discrete Automation****Summarized performance:**

	(₹ in crore)	
Particulars	2021	2020
Orders	259	147
Order backlog	132	128
Revenue	255	155
Results	20	5

**Segment performance**

The demand for flexible robotic automation solutions remained strong during the year. Customers invested both in new manufacturing programs and the ones that were suspended due to the pandemic. Many customers also invested in capacity and productivity enhancement measures involving industrial robots.

Automotive manufacturers and component suppliers who account for the major share of the business showed an increase in demand. Food and Beverage, consumer segments and pharmaceutical customers continued their investments during this period towards modernization of capacities for productivity and efficiency.

Consumer electronics segment is showing strong growth potential with customers investing in robotic automation and creation of new opportunities due to relocation of manufacturing to India.

**Major orders booked during the year:**

- Welding and Painting systems from 2-Wheeler OEM
- Capacity increase and refurbishment of existing production line of a major Auto OEM
- Robotic automation of production sites of a major multinational consumer goods company

**Segment outlook**

Automotive demand from Electric Vehicle will continue to remain strong. Food and Beverage, Consumer goods and Electronics segments are showing strong signs of growth. Manufacturing activity in metals and plastics segment are expected to remain stable.

**Human Resources**

First quarter of 2021 witnessed the second wave affecting people pan India. The company was required to put in concerted efforts, very quickly, to prioritize employee wellness and safety. Tie-ups were created with hospitals at a local level to facilitate medical attention, medical infrastructure was ramped up to provide immediate attention to employees or their families in case of any urgent need. Enough resources were mobilized to ensure that there were oxygen concentrators, cylinders, medical vans/taxis to provide emergency support to the employees. Employee volunteer groups were created at each location as an additional layer of support for impacted employees and their families.

In parallel, the company focused on running pan India vaccination drives, to safeguard its employees and their families. As on date, more than 97 percent of our employees are vaccinated with both doses.

The Human Resource function also supported the families who lost their loved ones to the pandemic, through a comprehensive support package. Besides ensuring support to continue operations safely during the lockdown, the function also ensured continued enhancement of flexible options for employees to work from home or remote locations while keeping safe.



The company continued its D&I journey with increased participation of women in the work force. In 2021, we also expanded the focus from Gender diversity to include LGBTQI+, special abilities, generational diversity, and ethnicity. We continued to focus on running 'Interrupting Unconscious Bias' workshops for our managers and initiated the awareness on LGBTQI+ for senior leaders. The team also conducted multiple 'Disability Awareness Workshops' for its leaders. As a part of its commitment to further foster an atmosphere of Diversity and Inclusion, the team also designed a unique mentoring program called "With her beside her" by collaborating with the CSR team and Lila Poonawalla Foundation team. The program aims to provide ABB mentors an opportunity to support meritorious, underprivileged young students to better navigate the business landscape, the social challenges, develop and leverage their talents, and step into roles of greater influence. The year also saw the preparation for the eventual launch of a gender-neutral parental leave policy, that additionally provides the option for paid leave to the secondary care giver too, to take time off and take care of the young ones.

The company continued its focus on the development of employees through multiple programs ensuring around 2.4 man-days training per person. Right from soft skills program to specific leadership program for our top talent, the Learning and Development focus continued alongside. E-enabled learning ensured continued learning, providing employees with the option to opt for the relevant program at the time/day of their choice. One of the key initiatives for the year was the "Manager as Coaches" program, which aims to create an inclusive leadership mindset.

We continued to attract and hire top talent from the market. Multiple engagement activities were run virtually for employees through the year, and it was reflected in the positive score on the annual global engagement survey. More than 88 percent of the employees participated in the survey and ABB India engagement score moved up to 80 percent, 6 percent ahead of the global average. Employees rate ABB India very high in the areas of integrity, safety, pride, role clarity, customer focus, its response to pandemic and how ABB genuinely cares for its employees.

## Finance

The prolonged second wave of pandemic did have its impact on the financial situation in the market. Leveraging our very strong and relevant portfolio, brand image & robust operations, the Company's reputation in the market and long-term goodwill with leading banks ensured advantageous arrangements of various finance facilities. During all the months, the company was able to manage a positive cash position to fund its operations as well as meet the capex and carve out costs of Power Grid business segment. Also, during the current year, taking into cognizance the healthy cash situation, the Company reviewed its current investment practice and entered into better yield options for longer tenor from the most secured options that were approved by the Board. In 2021, the interest cost borne by the Company was INR 10.7 crores compared to INR 16.9 crores in 2020. As of December 31, 2021, the Company had the net cash balance of INR 2,688 crores. 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.

Key Financial Ratios	2021	2020
(i) Debtors Turnover	3.88	3.20
(ii) Inventory Turnover	7.50	6.84
(iii) Interest Coverage Ratio	-	-
(iv) Current Ratio	1.63	1.55
(v) Debt Equity Ratio	-	-
(vi) Operating Profit Margin (%) (Note - 1)	10.35%	5.26%
(vii) Net Profit Margin (%) (Note - 1)	7.50%	3.77%

### (i) Debtors Turnover

It is calculated by dividing turnover by average trade receivables.

### (ii) Inventory Turnover

It is calculated by dividing turnover by average inventory

### (iii) Interest Coverage Ratio

Not Applicable, as the Company did not have any borrowings in the current and previous year.

### (iv) Current Ratio

It is calculated by dividing the current assets by current liabilities

### (v) Debt Equity Ratio

Not Applicable, as the Company did not have any debt in the current and previous year.

### (vi) Operating Profit Margin (%)

It is calculated by dividing the PBIT by turnover.

### (vii) Net Profit Margin (%)

It is calculated by dividing the profit for the year by turnover.

## Note - 1

Higher in 2021 mainly on account of exceptional and one-off items as explained in the notes to the financial statements. Also, 2020 performance was impacted by pandemic.

### Internal control systems and Integrity

Internal Controls has been a key focus area of the company during the year. 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 and at the same time putting in the appropriate checks & balances. 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, Corporate, Business & Local authorization tables, 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. Aligning with the global reporting structure, the Company has implemented a related Assurance process for every business which establishes the ownership & accountability of the financial statements at every business level. 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 robust 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. 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. In addition, the company also has a Risk Management Committee which reviews the analysis of ERM (Enterprise Risk Management) exercise done by the Company and provides necessary guidance on its implementation and monitoring.

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.





# Sustainability in practice





## Peenya Campus, Karnataka

- Certified '**Gold rated**' under Green factory building rating system by Indian Green Building Council (IGBC)
- Achieved **98%** of waste recyclability in 2021
- Single-use plastic free campus



# Annexure - B to Board's 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 Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2021, the percentage increase in remuneration of Chief Executive Officer (MD), Chief Financial Officer and Company Secretary during the Financial Year 2021.

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	58:01	Lumpsum Pay
2.	Mr. T. K. Sridhar	Chief Financial Officer	-	5%
3.	Mr. Trivikram Guda*	Company Secretary	-	NA

\* Mr. Trivikram Guda was appointed as a Company Secretary effective December 22, 2021.

Notes:

- Percentage of increase in remuneration is effective March 1, 2021.
  - 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.
- Percentage increase in the median remuneration of employees for the financial year: 8%.
  - Number of permanent employees on rolls of the Company as on December 31, 2021: 3149
  - 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 thereof and to point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increment of all employees and managerial personnel is based on performance targets, inflations, prevailing industry trends and benchmark. The same are as per Company's increment guidelines.

- Affirmation that the remuneration is as per remuneration policy of the Company:

It is hereby affirmed that the remuneration paid to Directors, KMPs, and employees is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Morten Wierod  
Chairman  
DIN: 08753868

Place: Bengaluru

Date: February 10, 2022

# Annexure - C to Board's 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 Rule 8(3) of the Companies (Accounts) Rules, 2014

### A. Conservation of energy

#### 1. Steps taken or impact on conservation of energy:

- Pneumatic System has been interlinked for various buildings to minimize the compressor Operation.
- Introduced the Air leakage audit on monthly basis and reduced the energy consumption by >5 % in air compressor.
- Installed Digital time switch in HVAC system to automatically switch off during Lunch time.
- Modified program for Vacuum dryer to reduce operating temperature.
- Prevention of compressed air leakages by replacing leak pipes & quick release couplers.
- 100 % utilization of STP Treated water for garden effectively & efficiently.
- Installed Condenser Heat Recovery Coil in the duct immediately after AHU output and circulated warm water from condenser discharge through this coil.
- Elgi make Air compressor for supply of high-pressure Air to shop floor.
- Old conventional motor replaced with new high efficiency IE4 motor with VFD control and resulted in reduction of power consumption.
- Replacement of air-cooled chiller by energy efficient water-cooled chiller.
- Modified program for Vacuum dryer to reduce operating temperature.

#### 2. The steps taken by the company for utilizing alternate sources of energy::

- Solar power generation by inhouse Grid synchronized PV Solar Panels.
- 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:

- Replacement of existing LED lights, conventional lights with energy efficient LED lights.
- Installation of AC drives on air compressors & AHU exhaust system.
- Installation of Energy efficient IE3/IE4 motors on Plant machines.

### B. Technology absorption

#### 1. The efforts made towards technology absorption:

- 7.2 /12 kV Vacuum contactor
- Earthing switches for 12/36 kV
- 36 kV Ring min unit manufacturing
- Upgraded the Smart Factory software with newer features in data acquisition and consolidation
- Launched new variant of MCCBs namely Formula DSP
- Launched new variant of ACBs namely Formula Air
- E Mart- ABB's Own Digital Marketplace

#### 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, cost reduction, reduction in carbon emission and increased acceptability products in local and global markets.

### 3. Technologies imported during the last three years

• Composite converter (Bordline CC1500_M500_AC_M)	2019
• Underslung Auxiliary converter for Queensland Rail (QR) AC Metro (Bordline M80_AC_U)	2019
• Formula Air ACBs - the new Mid-High variant of ACBs	2020
• E9 ACBs new voltage variant up to 900VAC	2020
• Xtmax MCCBs LIG variant	2020
• 7.2 kV/36 KV Generator circuit breaker	2021
• VCB for ARC furnace application	2021
• Digital Solutions for Switchgear	2021
• NMK 710 slip ring machine along with brush lifting device & NXR series motors for US LSU	2021

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 know-how 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)	
	2021	2020
(i) Foreign Exchange earned	871.75	949.96
(ii) Foreign exchange used	3058.68	2,401.95

For and on behalf of the Board

Morten Wierod  
Chairman  
DIN: 08753868

Place: Bengaluru

Date: February 10, 2022

# Annexure - D to Board's Report

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

### 1. Brief outline on CSR Policy of the Company:

#### Corporate Social Responsibility Policy of ABB India Limited

ABB as a responsible Corporate entity, the Company strives to reach out to wider community to ensure well-being of needy as a part of its Corporate Social Responsibility ("CSR"). The Company has always believed in and contributed to the society. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth and is internalized as integral part of the Company's Strategy.

ABB India views corporate social responsibility (CSR) as a channel to further its cause for a better world by writing the future together with its multiple stakeholders. The Company is committed to sustainable and inclusive development of the community's social capital through active engagement. The Company's CSR programs are aimed to contribute, catalyze and augment Governmental efforts in the social development agenda, predominantly in areas where it operates

#### Company's CSR focus areas:

1. Education  
(ABB Value 'Curiosity')
2. Diversity and Inclusion in fabric of society  
(ABB Value 'Courage')
3. Communities and environment  
(ABB Value 'Care')

### 2. Composition of CSR committee:

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs Renu Sud Karnad	Chairperson of the Committee and independent director	4	4
2	Mr Morten Wierod	Member	4	4
3	Mr Sanjeev Sharma	Member	4	4
4	Ms Gopika Pant	Member and independent director	4	4

### 3. Details of the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

<https://new.abb.com/indian-subcontinent/investors/documents-policies>

### 4. Details of Impact Assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. Third party impact assessment report of select CSR projects is available at: <https://search.abb.com/library/Download.aspx?DocumentID=9AKK108466A7481&LanguageCode=en&DocumentPartId=&Action=Launch>

Sl. No.	Name the program	Partnering organization	Impact Assessment carried out (Yes/No)
1	Support education and operation of a mainstream school for around 200 children with disabilities	Association of People with Disabilities	Yes
2	Peenya external road development project including road infrastructure and public amenities upgradation	Through identified vendor	Yes
3	Mobile science learning-promoting science education-imparting science /STEM learning	Agastya International Foundation	Yes
4	Implementation of a smart grid network at IIT Roorkee, Uttarakhand	IIT Roorkee, Uttarakhand	Yes

### 5. Details of the amount available for the set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year if any- Nil

Sl. No.	Financial year	Amount available for set off from preceding financial years (in ₹1)	Amount required to be set off for the financial year if any (in ₹)
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**6. Average net profit of the company as per section 135 (5): ₹ 5,04,12,30,000**

7. (a) Two percent of average net profit of the company as per section 135 (5): ₹ 10,08,24,600

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: 0

(c) Amount required to be set off for the financial year- 0

(d) Total CSR obligation for the financial year (7a+7b+7c): ₹ 10,08,24,600

**8. (a) CSR amount spent for the financial year: ₹ 10,08,85,957**

Total Amount Spent for the Financial Year. (in ₹)				Amount unspent (in ₹)								
Total Amount transferred to Unspent CSR account as per section 135(6)							Amount transferred to any fund specified under Schedule VII as per second proviso to section (135(5))					
Amount		Date of Transfer		Name of Fund		Amount		Date of transfer				
10,08,85,957	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil			

SL. No.	Name of the Project	Item, from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project	Project duration	Amount allocated for the project in (₹)	Amount Spent in the financial year (₹)	Amount transferred to unspent CSR account for the project	Mode of implem entation Direct – Yes/No	Mode of implementation through implementing agency	CSR Registration Number	
		Sector in which the project is covered		State	District					Name	CSR Registration Number	
1	External Pen-nya public road infrastr ucture and public amenities upgradation project	Ensuring environmental sustainability	Yes	Karnataka	Bangalore	2 years	4,29,80,000	4,29,80,000	0	Yes	Vendor-Ground Reality Enterp rises Pvt Ltd	NA
2	Women engineering scholarship program for meritori-ous and deserving 20 selected women at Pune loca-tion. Pro-gram tenure 2019-2023.	Promoting education and empowering women	No	Maharash-tra	Pune	4 years	13,20,000	13,20,000	0	No	Lila Poon-awalla Founda-tion	CSR00000090
3	Women engineering scholarship program for meritori-ous and deserving 30 selected women at Pune loca-tion. Pro-gram tenure 2019-2024.	Promoting education and empowering women	No	Maharash-tra	Pune	4 years	20,70,000	20,70,000	0	No	Lila Poo-nawalla Founda-tion	CSR00000090
4	Women engineering scholarship program for meritori-ous and deserving 50 selected women at Bangalore location. Program tenure 2021-2025	Promoting education and empowering women	Yes	Karnataka	Bangalore	4 years	43,10,000	43,10,000	0	No	Lila Poo-nawalla Founda-tion	CSR00000090

5	Operation of mobile health care units for communities in Peenya and Nelaman-gala in Karnataka, Vadodara in Gujarat.	Preventive Health Care	Yes	Karnataka, Gujarat	Bangalore Vadodara	3 years	1,10,74,012	1,10,74,012	0	No	HelpAge India	CSR00000901
6	Operation of mobile health care units for communities in Nashik in Maharashtra	Preventive Health Care	Yes	Maharash-tra	Nashik	3 years			0	No	HelpAge India	CSR00000901
7	Operation of mobile health care units for communities in Faridabad in Haryana.	Preventive Health Care	Yes	Haryana	Faridabad	3 years				No	HelpAge India	CSR00000901
8	Udayan Shalini fellowship program for 50 girls in Commu-nities in Faridabad	Promoting Education	Yes	Haryana	Faridabad	3 years	3,85,000	3,85,000	0	No	Udayan Care	CSR00000619
9	IT skill center for communi-ties	Promoting Education	Yes	Haryana	Faridabad	3 years	22,81,600	22,81,600	0	No	Udayan Care	CSR00000619
10	Procure-ment and installation of needed medical equipment and facili-ties for the hospital's cancer care for poor and needy patients	Preventive Health Care	Yes	Karnataka	Bangalore	1 year	1,20,99,983	1,20,99,983	0	No	Sri Shankara Cancer Founda-tion	CSR 00004616
11	Providing support, required health care and medical assistance for the disa-advantaged, disabled women at the residen-tial facility of the Recipient in Nashik.	Preventive Health Care	Yes	Maharash-tra	Nashik	1 year	30,00,000	30,00,000	0	No	Gharkul Parivar Sanstha	
12	Improving the learning levels of Govt. school children and is a child-centric intervention with moti-vation in 98 Government schools identified in Nelaman-gala Taluka for the aca-demic year 2021-2022.	Promoting education	Yes	Karnataka	Nelaman-gala	1 year	36,00,000	36,00,000	0	No	Sivasri Charitab-le Trust	CSR00000155
13	Construc-tion of a check and water ma-nagement structure in drought prone village of Nashik	Ensuring environmental sustainability	Yes	Maharash-tra	Nashik	1 year	15,60,000	15,60,000	0	No	Vanvikas Kalyan Ashram	CSR00000260

14	Solarization of a NGO campus	Ensuring environmental sustainability	Yes	Maharashtra	Nashik	1 year	9,00,000	9,00,000	0	Yes	Direct implementation	NA
15	Infrastructure upgradation of Govt Hospital, Nelaman-gala	Preventive Health Care	Yes	Karnataka	Nelaman-gala	1 year	75,00,000	75,00,000	0	Yes	Direct implementation through vendor	NA
16	Across foundation activities	Across focal areas		Karnataka	Bangalore	1 Year	16,00,000	16,00,000	0	Yes		
17	Contribution towards Medical supplies and essentials for Covid-19 to Vadodara Municipal Corporation (VMC)	Disaster relief-Covid-19	Yes	Gujarat	Vadodara	one time disaster contribution for Covid-19	7,18,368	7,18,368	0	Yes	Direct supply of Covid-19 essentials	NA
18	Contribution towards Medical supplies and essentials for Covid-19 to Govt community health center, Faridabad	Disaster relief-Covid-19	Yes	Haryana	Faridabad	one time disaster contribution for Covid-19	7,32,000	7,32,000	0	Yes	Direct supply of Covid-19 essentials	NA
19	Contribution towards Medical supplies and essentials for Covid-19 to Employee's State Insurance Corporation (ESIC) Medical College, Faridabad.	Disaster relief-Covid-19	Yes	Haryana	Faridabad	one time disaster contribution for Covid-19	7,77,600	7,77,600	0	Yes	Direct supply of Covid-19 essentials	NA
20	Contribution towards Medical supplies and essentials for Covid-19 to GMERS Govt Hospital Faridabad	Disaster relief-Covid-19	Yes	Haryana	Faridabad	one time disaster contribution for Covid-19	11,572	11,572	0	Yes	Direct supply of Covid-19 essentials	NA
21	Contribution towards Medical supplies and essentials for Covid-19 to Shri Guruji Rugnalaya Charitable Hospital Nashik	Disaster relief-Covid-19	Yes	Maharashtra	Nashik	one time disaster contribution for Covid-19	16,70,000	16,70,000	0	Yes	Shri Guruji Rugnalaya	CSR00000181
22	Contribution towards Medical supplies and essentials for COVID-19 to Gotri Government Hospital, Maneja	Disaster relief-Covid-19	Yes	Gujarat	Vadodara	one time disaster contribution for Covid-19	1,12,572	1,12,572	0	Yes	Direct supply of Covid-19 essentials	NA
23	Contribution towards Medical supplies and essentials for COVID-19 to Taluk Hospital, Nelamangala, Bangalore, rural.	Disaster relief-Covid-19	Yes	Karnataka	Bangalore rural	one time disaster contribution for Covid-19	13,91,000	13,91,000	0	Yes	Direct supply of Covid-19 essentials	NA

24	Contribution towards Medical supplies and essentials for Covid-19	Disaster relief- Covid-19	Yes	Maharashtra	Nashik	one time disaster contribution for Covid-19	3,74,750	3,74,750	0	Yes	Direct implementation through vendor	NA
25	Contribution towards Medical supplies and essentials for Covid-19 BBMP, Dasarahalli Covid-19 Care Center	Disaster relief- Covid-19	Yes	Bangalore	Karnataka	one time disaster contribution for Covid-19	4,17,500	4,17,500	0	Yes	Direct implementation through vendor	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: ₹10,08,85,957

(c) Details of CSR amount against other ongoing projects for the financial year: 0

(d) Amount spent in Administrative overheads: 0

(e) Amount spent on Impact Assessment if applicable: 0

(f) Total amount spent for the Financial Year: (8b+8c+8d+8e): ₹10,08,85,957

(g) Excess amount for set off if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135 (5)	10,08,24,600
(ii)	Total amount spent for the Financial year	10,08,85,957
(iii)	Excess amount spent for the Financial year [(ii) –(i)]	61,357
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii) –(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details to the asset so created or acquired through CSR spent in the financial year (asset wise details)

- Date of creation or acquisition of the capital asset
- Amount of CSR spent for creation or acquisition of the capital asset
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered their address etc.
- Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset)

Refer Table 1 and Table 2 below for 10.a, 10.b, 10.c and 10.d responses:

**Table 1: Community CSR contributions for capital asset creation:**

Date of creation	Amount of CSR spent for creation or acquisition of the capital asset (₹)	Details of public authority under whose name such capital asset is registered with address	Location of the capital asset
Mar 2021	1,80,000 (refurbishment of mobile health care unit)	HelpAge India Registered address: C-14, Qutab Institutional Area, New Delhi – 110 016	Faridabad , Haryana
Dec 2021	1,20,99,983** (medical equipments procured by Sri Shankara Cancer Foundation)	Sri Shankara Cancer Foundation Registered address: "Sriniketana" No. 1786 14th Main Road, 34th Cross, Banashankari II Stage, Bangalore 560070	Bangalore, Karnataka
Oct 2021	22,81,600 (infrastructure for a community IT centre)	Udayan Care A-43, Chittaranjan Park, New Delhi-110019	Faridabad, Haryana
Dec 2021	15,60,000** (Water check dam constructed at village of Nashik)	Van Vikas Kalyan Ashram Registered address: Paschim Vibhag, Prant Karyalya, 15, Krushi Nagar, Off College Road, Nashik – 422005	Nashik Maharashtra
Jan 2021- Feb 2022	4,29,80,000** (CAPEX items installed for the public road upgradation and infrastructure upgradation project at Peenya Industrial area)	Bruhat Bangalore Mahanagara Palike (BBMP), N.R Square, Bengaluru, Karnataka 560002, Commissioner of Police Office of Traffic Head Quarters, Police Department in Bengaluru, Karnataka #5, Infantry Rd, Tasker Town, Vasanth Nagar, Bengaluru, Karnataka 560001	Bangalore Karnataka
Nov 2021	75,00,000** (Infrastructure upgradation of Govt Hospital, Nelamangala)	Government Hospital, Nelamangala Bangalore Rural District address : BH Road Nelamangala - 562123	Bangalore Rural
Dec 2021	9,00,000** (rooftop solar installation)	Prabodhini Trust, Lane No.2, Old Pandit Colony, Off. Saharanpur Road, Nashik-422002 Maharashtra, India.	Nashik, Maharashtra

Note: \*\* part payment has been made/work to be completed and handed over in 2022



**Table 2: Supply of asset/ in-kind medical supplies contributed for disaster relief/ Covid-19 management:**

<b>Date of creation</b>	<b>Amount of CSR spent for creation or acquisition of the capital asset (₹)</b>	<b>Details of public authority under whose name such capital asset is registered with address</b>	<b>Location of the capital asset</b>
Apr 2021	7,18,368 (Supply of Ventilator Medical equipments for Covid-19 patient management)	Vadodara Municipal Corporation, VMC, Khanderao Market Building, Vadodara – 390209,	Vadodara, Gujarat
Apr 2021	7,32,000 Oxygen concentrator	Govt. Community Health Centre, Faridabad	Faridabad Haryana
Jun 2021	7,77,600 (Supply of 4 Nos. of Oxygen concentrators for Covid-19 patient management)	Employee's State Insurance Corporation (ESIC) Medical College, Faridabad ESIC Medical College & Hospital, NH -3, N.I.T Faridabad	Faridabad Haryana
May 2021	13,91,000 (Supply of Oxygen concentrator and High Nasal Flow Nasal Flow Canula Oxygen (HNFC) machine for Covid-19 patient management)	Government Taluk Hospital, Nelamangala, Bangalore	Bangalore Rural Karnataka
May 2021	16,70,000 (Supply of an Oxygen concentrator machine for Covid-19 patient management)	Shri Guruji Rugnalaya Gangapur Rd, Anandwalli Chowk, Nashik, Maharashtra 422013	Nashik Maharashtra
May 2021	2,60,000 (Supply of Oxygen concentrator machine for Covid-19 patient management)	Bruhat Bangalore Mahanagara Palike (BBMP), Peenya ward. Address: Bagalgunte, Hesaraghatta Main Road, MEI Layout, Bangalore 560077	Bangalore, Karnataka
May 2021	70,000 (Supply of Oxygen concentrator machine for Covid-19 patient management)	Social Networking Forum, Nashik 3rd Floor, Vitthal Charani Sankul, Off Big Bazaar, College Road, Nashik, Maharashtra- 422005 .	Nashik Maharashtra

**11. Specify the reason(s) if the company has failed to spend two percent of the average net profit as per section 135 (5)**

Not Applicable

Sanjeev Sharma  
Managing Director  
DIN: 07362344

Renu Sud Karnad  
Chairperson CSR Committee  
DIN: 00008064

Place: Bengaluru  
Date: February 10, 2022

# Annexure - E to Board's 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 arm's 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 2021

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

There were no contracts or arrangements or transactions entered into during the year ended December 31, 2021, 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	
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	Given below:
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	

- Related Party Transactions (RPT) between ABB India Limited and Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)

(Amount in crore)

Nature of RPT	Board meeting Date	Duration in Months	Total	Financial Year 2021
Maneja Lease of Property	10.2.2021	2	0.08	0.08
Maneja Power Services (Electricity & DG)	10.2.2021	2	4.85	4.85
Peenya Power Services (Electricity & DG)	10.2.2021	6	1.21	1.21
Maneja Lease Agreement	10.2.2021	2	0.16	0.16
Maneja Lease Agreement	11.6.2021	6	0.25	0.25
Maneja Power Services (Electricity & DG)	11.6.2021	6	15.43	15.43
Peenya Power Service	11.6.2021	6	1.52	1.52
Maneja Lease Agreement	11.6.2021	6	0.49	0.49
Maneja Lease Agreement	21.12.2021	6	0.25	0.25
Maneja Power Services (Electricity & DG)	21.12.2021	6	14.37	14.37
Peenya Power Service	21.12.2021	6	0.95	0.95
<b>Total</b>			<b>39.56</b>	<b>39.56</b>
(e)	Date(s) of approval by the Board, if any:	Dates are provided above against the respective agreements		
(f)	Amount paid as advances, if any:	Nil		

NOTE: These transactions which are not in the "ordinary course of business", were necessitated consequent to Demerger of Power Grids Business during the year 2019/2020.

For and on behalf of the Board

Morten Wierod  
Chairman  
DIN: 08753868

Place: Bengaluru  
Date: February 10, 2022

# Annexure - G to Board's 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

- I The Board consists of 6 Directors viz., three Independent and three Non-independent, out of which, two Independent Directors and one Non-executive Non-independent Director are woman Directors. Out of three 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.
- II Except the Managing Director, two other Non-executive, Non-independent Directors are liable to retire by rotation. In the ensuing Annual General Meeting, Mr. Morten Wierod (DIN: 08753868), Non-executive, Non-independent Director, who is retiring by rotation at this Annual General Meeting has opted for re-appointment. There is no relationship between the Directors inter-se. The Company has three Independent Directors. Out of which, Mr. V K Viswanathan was appointed for a period of three years effective November 13, 2019, Mrs. Renu Sud Karnad was appointed for a period of three years effective May 6, 2020 and Ms. Gopika Pant was appointed for a period of three years effective April 27, 2021. During the financial year, Mr. Darius E. Udwardia, Independent Director resigned from the office effect from April 28, 2021 and Ms. Maria Rosaria Varsellona was appointed as the Non-Executive & Non-Independent Director effective February 10, 2021. Mr. Jean-Christophe Deslarzes, Non-Executive & Non-Independent Director resigned from the office effective February 10, 2021.

- (i) Composition/ Category of Directors/ Attendance at Meetings/ Directorships and Committee Memberships in other companies as on December 31, 2021.

Name	Category <sup>(1)</sup>	Attendance			Directorship in other Indian Companies <sup>(2)</sup>	Committee Membership / Chairmanship in Public Companies <sup>(3)</sup>	
		Board meetings held during 2021	Board meetings attended	Last AGM attendance		Member	Chairman
Mr. Morten Wierod <sup>(4)</sup>	NED	7	7	Yes	Nil	Nil	Nil
Mr. Sanjeev Sharma	MD		7	Yes	3	1	Nil
Mrs. Renu Sud Karnad	NED (I)		6	No	9	5	3
Mr. V K Viswanathan	NED (I)		7	Yes	6	2	4
Ms. Maria Varsellona <sup>(5)</sup>	NED		7	Yes	Nil	1	Nil
Ms. Gopika Pant <sup>(6)</sup>	NED (I)		6	Yes	5	3	1

- (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 Chairman with effect from February 10, 2021.
- (5) Appointed as Director with effect from February 10, 2021.
- (6) Appointed as Director with effect from April 27, 2021.

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

**NOTE:**

All Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations and the Companies Act, 2013.

- (ii) No. of Board Meetings held in the Financial Year 2021 and dates on which held.

Seven Board meetings were held during the Financial Year 2021 i.e., on February 10, April 27, June 11, July 28, October 6, October 26 and December 21, 2021.

In addition, one meeting of Independent Directors was held on December 21, 2021.

- (iii) The Independent Directors, who are from diverse fields of expertise, have long standing experience and expert knowledge in their respective fields of professions, which 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. Further, as a part of Board and Committee meetings members of the Board are also appraised on various developments in business both from an internal and external perspective.

During the year under review, the Company conducted a familiarization programme to Ms. Gopika Pant, Independent Director who was inducted on the Board during 2021. Other Independent Directors are continuing on the Company's Board since long and hence separate session on familiarization about the Company did not arise.

- (iv) The terms and conditions of appointment of the Independent Directors are disclosed in the Company's website at [www.abb.co.in](http://www.abb.co.in).
- (v) Independent Directors of the Company have provided declarations as required under the Companies Act, 2013 and Listing Regulations. The Board has noted the said declarations and opinion that all Independent Directors fulfill the conditions of independence and are independent of the management of the Company.
- (vi) During the year, a separate meeting of the Independent Directors was held on December 21, 2021, without the presence of Non-executive Directors / Managing Director / Management, to discuss the matter as required / agreed amongst them in accordance with the Act and Listing Regulations.
- (vii) Further the Board periodically reviews the compliance reports submitted by the management in respect of all laws applicable to the Company.
- (viii) Certificate from practicing Company Secretary on eligibility of the Board of Directors to serve as Directors is enclosed to this report.

**III Names of the listed entities where the person is a Director and the category of directorship.**



Name of the Director	Names of the listed entities	Category of directorship
Mr. Morten Wierod (Chairman)	ABB India Limited	Non-executive, non-independent
Mr. Sanjeev Sharma	ABB India Limited	Executive, Non-independent
Mrs. Renu Sud Karnad	ABB India Limited	Independent
	Housing Development Finance Corporation Ltd.	Executive, Non-independent
	HDFC Asset Management Co. Ltd.	Non-executive, Non-independent
	HDFC Bank Limited	Non-executive, Non-independent
	HDFC Life Insurance Co. Ltd.	Non-executive, Non-independent
	Glaxo SmithKline Pharmaceuticals Limited	Independent
	Unitech Limited	Nominee
Mr. V K Viswanathan	ABB India Limited	Independent
	Bharti Airtel Limited	Independent
	HDFC Life Insurance Company Limited	Independent
	KSB Limited	Independent
	United Spirits Limited	Independent
Ms. Maria Varsellona	ABB India Limited	Non-executive, non-independent
Ms. Gopika Pant	ABB India Limited	Independent
	Colgate Palmolive India Limited	Independent

#### IV Board's core skills / expertise / competencies:

For effective functioning of the Board, your Company's Board needs to have skills/expertise/competencies in the areas of Business, Finance & Accounting and Governance/Legal. Your Company's Board comprises of people from diverse fields and across Globe. Your Company's Directors are qualified and possess the appropriate knowledge, skills, experience, expertise, diversity and independence, covering Business, Finance & Accounting and Governance/Legal. In the table given below, various skills / expertise / competencies of Board of Directors are given:

Sl No.	Name of Directors	Areas of skills / expertise / competencies		
		Business & Leadership	Finance & Accounting	Governance/Legal
1	Mr. Morten Wierod (Chairman - w.e.f 10.02.2021)	✓		
2.	Mr. Sanjeev Sharma	✓		
3.	Mr. V K Viswanathan		✓	✓
4.	Mrs. Renu Sud Karnad	✓	✓	✓
5.	Ms. Maria Rosaria Varsellona (w.e.f 10.02.2021)			✓
6.	Ms. Gopika Pant (w.e.f 27.04.2021)			✓

### 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 CFO, 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 Wholetime 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 thereon;
- 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 functions 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 (71<sup>st</sup> Annual General Meeting held on April 28, 2021).

**(ii) Composition, names 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 seven meetings during the Financial Year 2021 i.e., February 10, April 27, June 11, July 28, October 6, October 26 and December 21, 2021. The composition of the Audit Committee as on December 31, 2021 and the attendance of members at the meetings held during the Financial Year 2021 were as follows:

Members of the committee	No. of meetings attended
Mr. V K Viswanathan (Independent Director) (Chairman)	7
Mrs. Renu Sud Karnad (Independent Director)	6
Ms. Maria Varsellona (w.e.f. April 27, 2021)	6
Ms. Gopika Pant (Independent Director) (w.e.f. April 27, 2021)	6

Mr. Trivikram Guda, Company Secretary is the Secretary to the Audit Committee.

#### 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;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- 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.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

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](http://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 four meetings during the Financial Year 2021 i.e., on February 9, June 11, October 6 and December 21, 2021. The composition of the Nomination and Remuneration Committee as on December 31, 2021 and the attendance of members at the meeting held during the Financial Year 2021 were as follows:

Members of the Committee	No. of meetings attended
Mr. V K Viswanathan (Chairman) (Independent Director)	4
Mrs. Renu Sud Karnad (Independent Director)	4
Mr Morten Wierod (w.e.f. April 27, 2021)	3

##### (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, effective participation in the meetings, comparable industry standards. 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 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 ₹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 ₹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 2021

(₹ in Lakh)

Name	Sitting fees	Salary & perquisites	Commission*	Stock option	Pension
Mr. Sanjeev Sharma**	Nil	698.68	NA	Nil	Nil
Mr. Nasser Munjee	Nil	Nil	26.57	Nil	Nil
Mr. Darius E. Udawadia	0.50	Nil	26.25	Nil	Nil
Mrs. Renu Sud Karnad	3.40	Nil	35.50	Nil	Nil
Mr. J C Deslarzes	Nil	Nil	NA	Nil	Nil
Mr. V K Viswanathan	3.30	Nil	35.42	Nil	Nil
Mr Morten Wierod	Nil	Nil	NA	Nil	Nil
Ms. Maria Varsellona	Nil	Nil	NA	Nil	Nil
Ms. Gopika Pant	3.00	Nil	Nil	Nil	Nil

\* Commission for the financial year 2020 paid during the financial year 2021.

\*\* 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 to both 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 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.

### 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.

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 and to consider all other matters of shareholder interest.

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 2021 i.e., on February 9, April 27, July 28 and October 26, 2021.

The Committee is chaired by Ms. Gopika Pant– Independent Director. Mr. Trivikram Guda, Company Secretary is the Secretary to the Committee.

The composition of Stakeholders Relationship Committee as at December 31, 2021 and attendance of members at the meetings held during the Financial Year 2021 were as follows:

Members of the Committee	No. of meetings attended
Ms. Gopika Pant (Chairperson) (Independent Director) w.e.f. April 27, 2021	3
Mrs. Renu Sud Karnad (Independent Director)	3
Mr. Sanjeev Sharma	4

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 2021 are as under:

No. of investors' complaints received during 2021	No. of investors' complaints resolved during 2021	Investors' complaints pending at the end of 2021
151	151	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.

The terms of reference and Role of the Risk Management Committee are as per the provisions of Regulation 21 of the Listing Regulations which includes formulating the criteria to:

1. To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

One meeting of Committee was held during the Financial Year 2021 i.e., on December 21, 2021.

The Committee is chaired by Mr. V K Viswanathan - Independent Director. Mr. Trivikram Guda, Company Secretary is the Secretary to the Risk Management Committee.

The composition of Risk Management Committee as at December 31, 2021 and attendance of members at the meetings held during the Financial Year 2021 is provided as follows:

Members of the Committee	No. of meetings attended
Mr. V K Viswanathan (Independent Director) (Chairman)	1
Ms. Maria Varsellona	1
Mr. Sanjeev Sharma	1
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.

The terms of reference and Role of the Corporate Social Responsibility Committee are as per the provisions of Section 135 of the Act which includes formulating the criteria to:

The CSR Committee shall be responsible for formulating and recommending to the Board the CSR Policy and an Annual Action Plan, which shall include the following:

- list of CSR projects or programs that are approved to be undertaken in areas or subjects as specified in Schedule VII of the Act;
- the manner of execution of such projects or programs.
- the modalities of utilization of funds and implementation schedules for the projects or programs.
- monitoring and reporting mechanism for the projects or programs; and,
- details of need and impact assessment, if any, for the projects undertaken by the Company.
- to monitor the Corporate Social Responsibility Policy of the company from time to time.

Four meetings of Committee were held during the Financial Year 2021 i.e., on February 9, April 27, July 28 and October 26, 2021.

The Committee is chaired by Mrs. Renu Sud Karnad – Independent Director. The composition of Committee as at December 31, 2021 and attendance of members at the meetings held during the Financial Year 2021 were as follows:

Members of the Committee	No. of meetings attended
Mrs. Renu Sud Karnad (Chairperson) (Independent Director)	3
Mr. Sanjeev Sharma	4
Ms. Gopika Pant (Independent Director) (w.e.f. April 27, 2021)	3

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;
- Healthcare: To support and augment on-going national initiatives in health, hygiene and healthcare 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 on the Company's website at [www.abb.co.in](http://www.abb.co.in).

## 9. Subsidiary Company

The Company has no subsidiary in the financial year 2021. 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
2020	Held through Video Conferencing / Other Audio Visual Means	Wednesday April 28, 2021	11.00 a.m. (IST)
2019	Held through Video Conferencing / Other Audio Visual Means	Friday July 24, 2020	11.00 a.m. (IST)
2018	"Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru-560 022	Tuesday May 8, 2019	11.00 a.m. (IST)

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

No Special Resolution passed in 71<sup>st</sup> Annual General Meetings held on April 28, 2021

The following Special Resolutions were passed at the 70<sup>th</sup> Annual General Meeting held on July 24, 2020.

- Re-appointment of Mrs. Renu Sud Karnad as a non-executive independent director.
- Re-appointment of Mr. Darius E. Udawadia as a non-executive independent director.

No Special Resolution passed in 69<sup>th</sup> Annual General Meeting held on May 8, 2019.

(iii) Postal Ballot

During Financial Year 2021, the Company has not passed any Special resolution(s) through the Postal Ballot.

## 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 Board's 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 <https://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, & 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](http://www.abb.co.in). The Company has a dedicated help desk with e-mail ID: [investor.helpdesk@in.abb.com](mailto: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](http://www.abb.co.in).

### 14. General Shareholder Information

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

The Company will be holding its 72<sup>nd</sup> Annual General Meeting on Thursday, May 5, 2022 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, 2021, (ii) the Audited Statement of Profit & Loss 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 - Re-Appointment of Messrs BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as Auditors of the Company

Item No. 5 - Re-Appointment of Mr. Sanjeev Sharma as Managing Director.

Item No. 6 - Appointment of Ms Carolina Yvonne Granat as a Director

Item No. 7 - Commission to the Independent Directors of the Company

Item No. 8 - Approval of remuneration to the Cost Auditor of the Company for Financial Year 2022

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

The profile of Director/s retiring by rotation and seeking appointment/re-appointment at the 72nd 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 2022 (January - December) excluding Extraordinary General Meeting(s), if any, are as under:

Fourth Quarter Financial Results (Year 2021)	February 2022
First Quarter Financial Results	May 2022
Annual General Meeting	May 2022
Second Quarter Financial Results	July 2022
Third Quarter Financial Results	November 2022

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 2021 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 April 29, 2022 to May 5, 2022 (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 May 9, 2022, to those Members whose names appear on the Company's Register of Members as on April 28, 2022.

(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

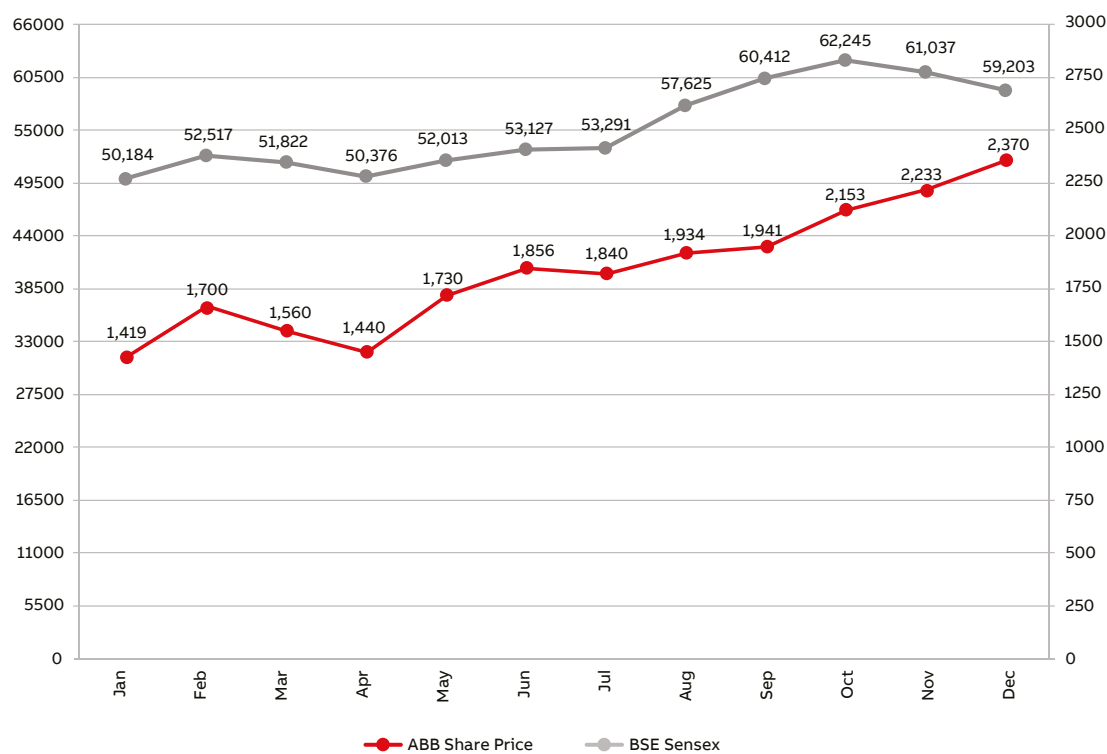
## (viii) Market Price Data

The market price data of the Company's shares traded in the BSE Limited and the National Stock Exchange of India Limited, during the year 2021 were as follows::

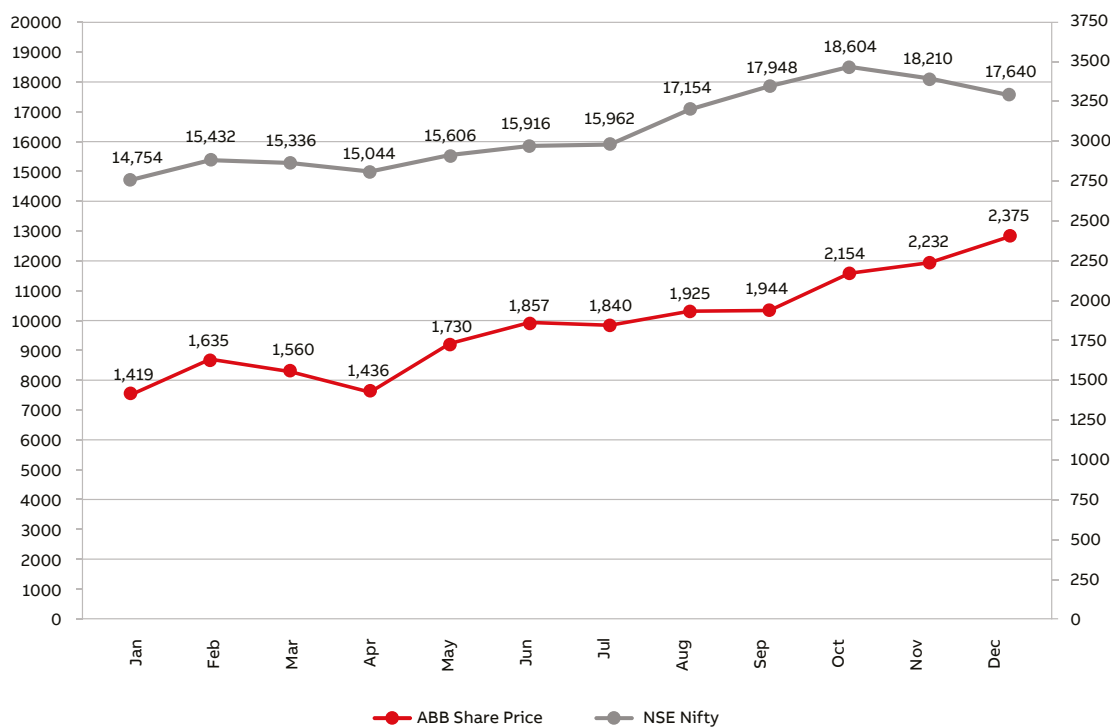
Year 2021	ABB - BSE (₹)		BSE Sensex		ABB - NSE (₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
January	1,419	1,214	50,184	46,160	1,419	1,212	14,754	13,597
February	1,700	1,360	52,517	46,434	1,635	1,357	15,432	13,662
March	1,560	1,332	51,822	48,236	1,560	1,330	15,336	14,264
April	1,440	1,300	50,376	47,205	1,436	1,299	15,044	14,151
May	1,730	1,353	52,013	48,028	1,730	1,352	15,606	14,416
June	1,856	1,602	53,127	51,451	1,857	1,601	15,916	15,451
July	1,840	1,626	53,291	51,803	1,840	1,624	15,962	15,513
August	1,934	1,619	57,625	52,804	1,925	1,618	17,154	15,835
September	1,941	1,792	60,412	57,264	1,944	1,790	17,948	17,055
October	2,153	1,801	62,245	58,551	2,154	1,800	18,604	17,453
November	2,233	1,955	61,037	56,383	2,232	1,954	18,210	16,782
December	2,370	1,997	59,203	55,133	2,375	2,008	17,640	16,410

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

**ABB Share Price movement v/s BSE Sensex**  
January - December 2021



**ABB Share Price movement v/s NSE Sensex**  
January - December 2021



## (ix) Registrar and Share Transfer Agents

KFin Technologies Limited  
 Selenium Tower B, Plot Nos. 31 & 32 | Financial District  
 Nanakramguda | Serilingampally Mandal | Hyderabad - 500032 | Telangana  
 Tel : +91 40 67161653  
 Fax No. +91 40 23420814  
 E-mail: einward.ris@kfintech.com  
 Website: www.kfintech.com

## (x) Share Transfer System

To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission, Transposition etc). 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 31.12.2020		As on 31.12.2021	
	No. of shares	%	No. of shares	%
ABB Asea Brown Boveri Ltd, Zurich	15,89,31,281	75.00	15,89,31,281	75.00
Mutual Funds	1,38,38,970	6.53	1,62,51,759	7.67
Foreign Portfolio - Corp	85,82,976	4.05	79,73,390	3.76
Foreign Institutional Investors	11,000	0.01	0	0.00
Trusts	12,567	0.01	12,357	0.01
Alternative Investment Fund	1,41,446	0.07	5,02,039	0.24
Resident Individuals	1,45,22,759	6.85	1,39,25,840	6.57
Non Resident Indians	2,25,285	0.11	2,32,761	0.11
Clearing Members	91,669	0.04	1,50,161	0.07
Indian Financial Institutions	9,01,845	0.43	7,51,845	0.35
Banks	8,265	0.00	8,265	0.00
Qualified Institutional Buyer	1,27,28,136	6.01	1,12,28,407	5.30
Non Resident Indian - Non Repatriable	3,79,157	0.18	3,85,162	0.18
Bodies Corporates	5,25,599	0.25	5,53,345	0.26
NBFC	50,689	0.02	53,305	0.03
Directors and their Relatives	3,500	0.00	0	0.00
I E P F	5,28,446	0.25	5,22,881	0.25
H U F	4,23,813	0.20	4,21,595	0.20
Foreign Nationals	972	0.00	3,982	0.00
Total:	21,19,08,375	100	21,19,08,375	100

## (xii) Distribution of Shareholding as on December 31,2021

Category	No. of Shareholders	No. of Shares held	% of equity capital
1 – 5000	80,021	1,21,62,448	5.74
5001 – 10000	242	16,94,741	0.80
10001 – 50000	131	26,82,515	1.27
50001 – 100000	17	12,87,013	0.61
100001 and above	53	19,40,81,658	91.59
Total	80,464	21,19,08,375	100



## (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, 2021, out of 21,19,08,375 equity shares of the Company, 21,04,68,615 equity shares have been dematerialised representing 99.32%.

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, 2021.

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. Trivikram Guda 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 Bengaluru, Maneja in Vadodara, Faridabad 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 Aluminium) 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 2021 : ₹4,352,508,547
- b) Exposure of the Company to various commodities : Given in the table below

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	
			OTC	Exchange	OTC	Exchange
Copper	3,426,742,098	4974 MT			98%	98%
Silver	395,982,816	213110 Ounce			100%	100%
Aluminum	69,037,041	377 MT			0%	0%
Steel	460,746,593	9267 MT			0%	0%

2021 Average USD/INR	73.9284
2021 Average Copper/MT	9319.83
2021 Average Silver/Ounce	25.134
2021 Average Aluminum/MT	2477.02
2021 Average Steel/MT (LME Steel Rebar)	672.53

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 (~90% of the exposure) with banks as per applicable guidelines and group risk management instructions. Aluminum & steel commodities are not hedged as per the decision of the business considering the lower volumes.

(xix) The Company has not made any payments during the year for services, other than towards audit fees, to the statutory auditors and to network firms/network entities of which the statutory auditor is a part.

(xx) The Board has accepted all recommendations made during the year by its various Committees.

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

(a) Number of complaints filed during the financial year	-	1
(b) Number of complaints disposed of during the financial year	-	Nil
(c) Number of complaints pending as on end of the financial year	-	1

(xxii) 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 2021, it had not obtained any credit rating for this purpose.

(xxiii) Address for correspondence

ABB India Limited  
Disha – 3rd Floor, Plot No. 5 & 6, 2nd Stage, Peenya Industrial Area IV  
Peenya, Bengaluru - 560 058, Karnataka, India  
Tel : +91 80 22949150 - 9153  
Fax No: +91 80 22949148  
Corporate Secretarial E-mail ID: investor.helpdesk@in.abb.com  
Website: www.abb.co.in

(xxiv) Corporate Identity Number

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

(xxv) Compliance Officer

Mr. Trivikram Guda, Company Secretary (ACS 17685) is the Compliance Officer of the Company and Secretary to all Committees of the Board.

**15. Discretionary requirements**

- 
- 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

Morten Wierod

Chairman

DIN: 08753868

Place: Bengaluru

Date: February 10, 2022

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, 2021.

For ABB India Limited

Sanjeev Sharma

Managing Director

DIN: 07362344

Place: Bengaluru

Date: February 10, 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of ABB India Limited,  
CIN: L32202KA1949PLC032923  
Disha - 3rd Floor, Plot No. 5 & 6, 2nd Stage,  
Peenya Industrial Area IV, Peenya,  
Bengaluru - 560 058, Karnataka.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ABB India Limited, having CIN:L32202KA1949PLC032923 ("the Company") and having Registered Office at Disha - 3rd Floor, Plot No. 5 & 6, 2nd Stage, Peenya Industrial Area IV, Peenya, Bengaluru - 560 058, Karnataka (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **December 31, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN (Director Identification Number)	Date of appointment in Company
1.	Mr. Sanjeev Sharma	07362344	01/01/2016
2.	Mr. Morten Wierod (Chairman)	08753868	19/06/2020
3.	Ms. Renu Sud Karnad	00008064	09/08/2013
4.	Mr. V K Viswanathan	01782934	13/11/2019
5.	Ms. Gopika Pant	00388675	27/04/2021
6.	Ms. Maria Rosaria Varsellona	08892891	10/02/2021

My responsibility is to express an opinion on these based on my verification. Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru  
Date: February 01, 2022

Sd/-  
K Jayachandran  
Company Secretary  
ACS No.11309/CP.No.4031  
UDIN: A011309C002358071



# Annexure - H to Board's 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 Requirements) Regulations, 2015 for the financial year ended December 31, 2021. 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 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.

In our opinion and to the best of our information and according to the explanation 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 except with regard to the provisions of Regulation 21 (3A) relating to holding of two meetings of Risk Management Committee in a year which came into effect from May 05, 2021. The Company has conducted only one meeting of Risk Management Committee on December 21, 2021.

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 and E.

Place: Bengaluru  
Date: February 10, 2022  
UDIN: F007260C002510288

**For V. Sreedharan & Associates**  
Company Secretaries

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

# Annexure - I to Board's Report

## Form MR-3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> DECEMBER 2021

[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  
Disha- 3rd Floor Plot No. 5 & 6, 2nd Stage  
Peenya Industrial Area IV, Peenya  
Bengaluru - 560058  
Karnataka

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 31st December 2021, 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 31st December 2021 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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable as the Company has does not have ESOP Scheme/shares;
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable as Company has not issued debt securities during the year under review;
  - g. 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;- Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review

- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable as the Company has not delisted /proposed to delist its equity shares from any stock exchange during the financial year under review;
- i. 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: -

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

- v. As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 21 (3A) and (4), the risk management committee shall meet at least twice in a year. The Company follows the calendar year January to December as its financial year and the said notification became effective from 5th May 2021. The Company has conducted one meeting of Risk Management Committee during the review period. The Company is in the process of amending Risk Management policy as per the requirements laid down in Part D of Schedule II.
- vi. 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: Bangalore  
Date: 10th February 2022  
UDIN: F008750C002515056

Biswajit Ghosh  
Partner  
FCS No: 8750 CP No: 8239

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  
Disha- 3rd Floor Plot No. 5 & 6, 2nd Stage  
Peenya Industrial Area IV, Peenya  
Bengaluru - 560058  
Karnataka

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. Due to Covid-19 restrictions, only the soft copies of the documents were verified.
8. 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.
9. 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

Biswajit Ghosh  
Partner  
FCS No: 8750 CP No: 8239

Place: Bangalore  
Date: 10th February 2022  
UDIN: F008750C002515056

## Secretarial compliance report of ABB India Limited FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2021

To,  
The Members,  
ABB India Limited  
CIN: L32202KA1949PLC032923  
Disha- 3rd Floor Plot No. 5 & 6, 2nd Stage  
Peenya Industrial Area IV, Peenya  
Bengaluru - 560058  
Karnataka

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 31<sup>st</sup> December 2021 ("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 and Sweat Equity) Regulations, 2021; – 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; - Not Applicable as Company has not issued debt securities during the year under review;
- (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, 2021; – 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
1	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 21 (3A)- The risk management committee shall meet at least twice in a year.	The Company has conducted one meeting of Risk Management Committee during the review period.	The Company follows the calendar year January to December as its financial year and the said notification became effective from 5 <sup>th</sup> May 2021.
2	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 21 (4)- The board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit, such function shall specifically cover cyber security.  Provided that the role and responsibilities of the Risk Management Committee shall mandatorily include the performance of functions specified in Part D of Schedule II.	The roles and responsibilities of the Risk Management Committee of the Company is yet to be updated in the policy as per the requirement laid down in Part D of Schedule II.	As per the Regulation, the Company is mandatorily required to formulate the roles and responsibilities of the Risk Management Committee as laid down in Part D of Schedule II and accordingly amend the Risk Management Policy. The Company is in the process of amending the same.

- (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

- (e) The terms of appointment the Statutory Auditor are in line with 6(A) and 6(B) of SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

For BMP & Co. LLP,  
Company Secretaries

Place: Bangalore  
Date: 10<sup>th</sup> February 2022  
UDIN: F008750C002515166

Biswajit Ghosh  
Partner  
(FCS No: 8750 CP No: 8239)

# 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, 2021 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 10, 2022





# Sustainability in practice





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## Maneja Campus, Gujarat

- **Improvement** in water recyclability by 7% as compared to previous years
- Achieved around **87%** of waste recyclability in 2021
- Supply of wind power generators manufactured here to major wind projects

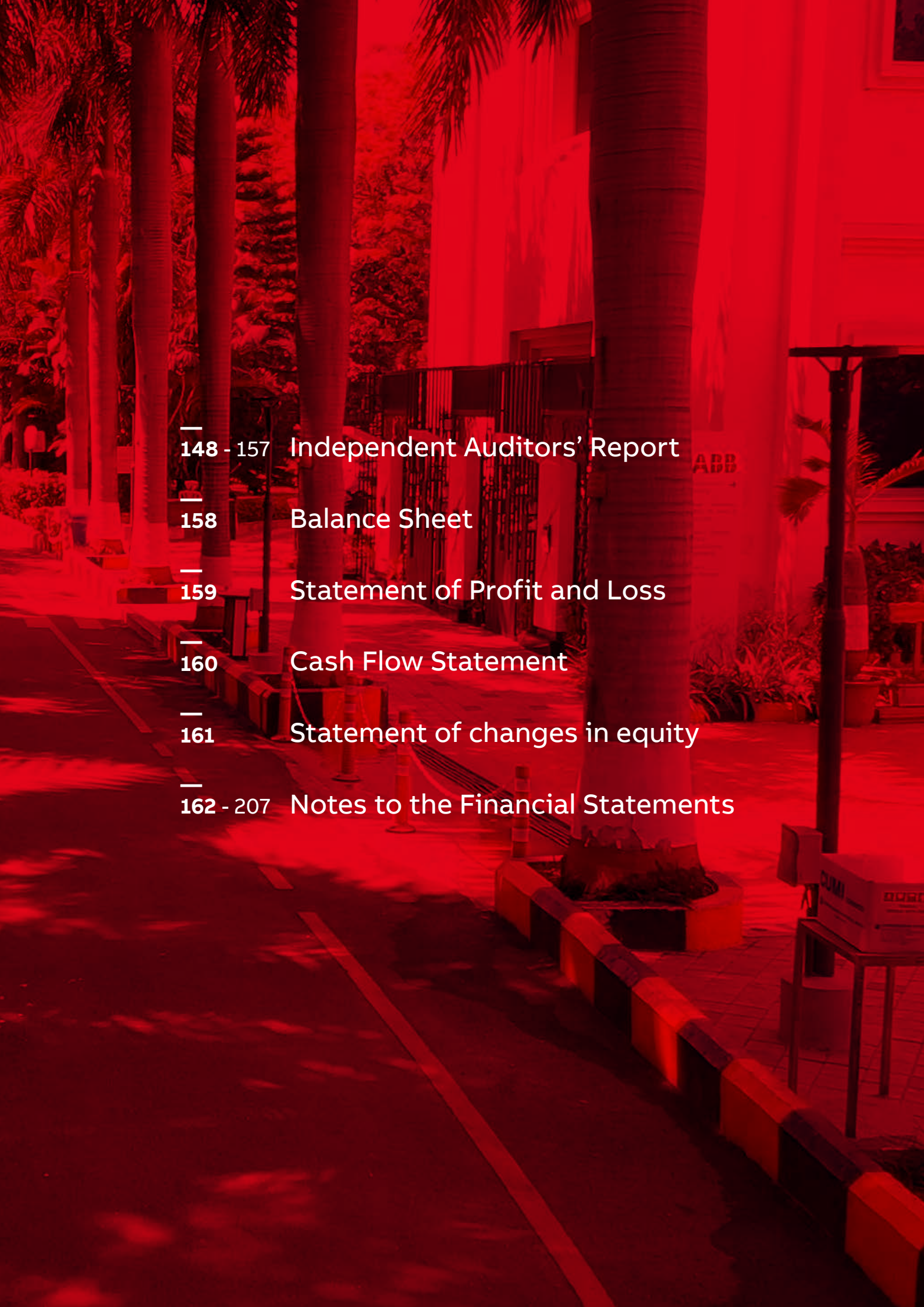


# 03 Financial Statements

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# 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 2021, 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 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 2021, 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 on the financial statements.

#### 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
<p><b>Revenue recognition</b> See note 2.3.1(a), 2.6, 24 and 46 to the financial statements</p> <p>Revenue from fixed price contracts are recognized in accordance with Ind AS 115, Revenue from Contracts with Customers, and as detailed in note 2.6 of the “significant accounting policies” in the financial statements.</p> <p>There are key judgements and estimates involved in recognition of revenue relating to fixed price contracts on a percentage of completion method, which includes:</p> <ul style="list-style-type: none"> <li>• Estimation of total contract costs and remaining costs to completion, which is a critical factor in measuring progress of a contract and amounts of revenue to be recognized;</li> <li>• Evaluation of risks arising from operational delays, contract terms, changes in estimations, technical, legal, external environment etc. This requires the Company to estimate costs to capture such risks, including liquidated damages and warranties.</li> </ul> <p>In view of the above and given the Company and its stakeholders focus on revenue as a key performance indicator, we determined this to be a key audit matter.</p>	<p>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:</p> <ol style="list-style-type: none"> <li>1. We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>2. We understood the process on revenue recognition of fixed price contracts and tested key internal controls (both design and operating effectiveness) with respect to revenue recognition of such contracts on random sample basis.</li> <li>3. We carried out analytical procedures on revenue recognised during the year to identify unusual variances and discussed with designated management personnel.</li> <li>4. We performed substantive testing on the statistically selected samples of revenue transactions recorded during the year by testing the underlying documents.</li> <li>5. We evaluated management's estimates over contract costs by performing analytical procedures on such estimates and discussed with designated management personnel.</li> <li>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.</li> <li>7. We tested provision for onerous contracts on a random sampling basis.</li> <li>8. We performed tests on whether actual costs have been accrued in the correct period, by testing the underlying documents for samples selected using statistical sampling.</li> <li>9. We tested the disclosures made in the financial statements.</li> </ol>
<p><b>Recoverability of trade receivables</b> See note 2.3.1(e), 2.12(a), 11 and 38(iii)(i) to the financial statements</p> <p>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 such as capability of customers to pay.</p> <p>Management makes an impairment allowance for trade receivables on the basis of its 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 to be a key audit matter.</p>	<p>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:</p> <ol style="list-style-type: none"> <li>1. We obtained an understanding of the processes implemented by management to estimate impairment provision against trade receivables.</li> <li>2. We tested key controls (both design and operating effectiveness) over management's estimate of impairment loss on random sample basis.</li> <li>3. We obtained and tested the appropriateness of ageing of trade receivables with the underlying invoices on a sample basis using random sampling.</li> <li>4. We evaluated the impairment model adopted by management to estimate the expected credit loss and tested related computations. We corroborated management's estimates on the basis of past trends.</li> <li>5. We obtained, discussed and tested management assessment of impairment for specific customer balances with designated management personnel.</li> <li>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</li> </ol>

## 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 and Board of Directors' 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 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, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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.
- 2 (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, 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2021 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 2021 on its financial position in its financial statements - Refer note 9, 22, 23 and note 41 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 19 and note 22 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;
- 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 2021.

(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: 22060154ABDFGC3011

Place: Bengaluru

Date: February 10, 2022



# 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 2021, 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 all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year. No material discrepancies were noticed on such verification.
- (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 1 acre and 32 guntas of gross carrying value and net carrying value amounting to ₹2.90 crores as at 31 December 2021, 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 explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (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 generally 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 2021 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 goods and services tax, 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
Customs Act, 1962	Customs duty, interest and penalty demanded	15.80	2008-2018	Commissioner of Customs/ Custom Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax, interest and penalty demanded	71.60	2011-2018	Commissioner of Income Tax (Appeals)
Goods and service Tax Act 2017	Goods and service tax, interest and penalty demanded	7.43	2018-2020	GST Tribunal / Joint Commissioner of Commercial Taxes (Appeals)/High court
Finance Act, 1994	Service tax, interest and penalty demanded	70.11	1996-2015	Commissioner (Appeals)/Commissioner (LTU) / Ministry of Finance (Department of Revenue)/ Custom Excise and Service Tax Appellate Tribunal
Sales Tax Act	Sales tax, Value added tax, interest and penalty demanded	28.38	2006-2015	Commissioner (Appeals)/ Custom Excise & Service Tax Appellate Tribunal/High Court/ Supreme Court
		266.70	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/ Supreme Court

\* 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 material fraud on the Company by its officers or employees or fraud by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given 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, all 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: 22060154ABDFGC3011

Place: Bengaluru

Date: February 10, 2022

# Annexure B to the Independent Auditors' report on the financial statements of ABB India Limited for the year ended 31 December 2021.

**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 2(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 2021 in conjunction with our audit of the financial statements of the Company as at and 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 2021, 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: 22060154ABDFGC3011

Place: Bengaluru

Date: February 10, 2022

# Balance Sheet

		(₹ in Crores)	
Balance Sheet as at December 31, 2021	Notes	2021	2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	752.80	688.69
Right-of-use assets	3	45.51	74.29
Capital work-in-progress	3	76.93	74.86
Goodwill	4	14.62	14.62
Other intangible assets	4	4.05	5.13
Financial assets			
Loans receivable	6	8.68	9.12
Other financial assets	7	-	0.88
Deferred tax assets (net)	8	93.86	117.21
Income tax assets (net)	9	267.35	333.11
Other non-current assets	10	173.60	188.95
<b>Total non-current assets</b>		<b>1,437.40</b>	<b>1,506.86</b>
<b>Current assets</b>			
Inventories	14	1,009.09	840.83
Financial assets			
Investments	5	-	0.08
Trade receivables	11	1,883.84	1,694.96
Cash and cash equivalents	12	718.14	2,203.95
Bank balance other than cash and cash equivalents	13	1,969.60	2.62
Loans receivable	6	18.51	17.88
Other financial assets	7	668.98	940.54
Current current assets	15	307.03	382.78
		<b>6,575.19</b>	<b>6,083.64</b>
Assets classified as held for sale	34	60.15	-
<b>Total current assets</b>		<b>6,635.34</b>	<b>6,083.64</b>
<b>Total Assets</b>		<b>8,072.74</b>	<b>7,590.50</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	42.38	42.38
Other equity	17	4,002.81	3,564.00
<b>Total equity</b>		<b>4,045.19</b>	<b>3,606.38</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	18	18.53	44.93
Other financial liabilities	19	5.23	5.27
<b>Total non-current liabilities</b>		<b>23.76</b>	<b>50.20</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	18	18.13	13.31
Trade payables	20		
Total outstanding dues to micro enterprises and small enterprises		84.18	60.51
Total outstanding dues to creditors other than micro enterprises and small enterprises		1,877.12	1,660.23
Other financial liabilities	19	1,061.14	1,330.62
Other current liabilities	21	544.24	529.53
Provisions	22	334.54	290.05
Current tax liabilities (net)	23	34.99	49.67
		<b>3,954.34</b>	<b>3,933.92</b>
Liabilities directly associated with assets held for sale	34	49.45	-
<b>Total current liabilities</b>		<b>4,003.79</b>	<b>3,933.92</b>
<b>Total liabilities</b>		<b>4,027.55</b>	<b>3,984.12</b>
<b>Total equity and liabilities</b>		<b>8,072.74</b>	<b>7,590.50</b>

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's Registration No.: 101248W/W-100022

For and on behalf of the Board

**Amit Somani**  
Partner  
Membership No.: 060154  
Bengaluru, February 10, 2022

**Sanjeev Sharma**  
Managing Director  
DIN: 07362344

**V K Viswanathan**  
Director  
DIN: 01782934

**T K Sridhar**  
Chief Financial Officer

Bengaluru, February 10, 2022

**Trivikram Guda**  
Company Secretary  
ACS-17685

# Statement of Profit and Loss

		(₹ in Crores)	
For the year ended December 31, 2021	Notes	2021	2020
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations	24	6,934.00	5,820.95
Other income	25	159.62	111.63
<b>Total income</b>		<b>7,093.62</b>	<b>5,932.58</b>
<b>Expenses</b>			
Cost of raw materials, components consumed and project bought outs	26	3,757.40	3,227.94
Purchases of traded goods	27	691.31	456.66
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	28	(33.36)	21.28
Subcontracting charges		210.96	164.56
Employee benefit expenses	29	588.24	568.01
Finance costs	30	10.70	16.87
Depreciation and amortisation expense	31	102.70	120.36
Other expenses	32	1,162.74	1,111.32
<b>Total expenses</b>		<b>6,490.69</b>	<b>5,687.00</b>
<b>Profit from continuing operations before exceptional items and tax</b>		<b>602.93</b>	<b>245.58</b>
Exceptional items (gain) / loss (refer note 47 & 48)		(121.34)	(58.79)
<b>Profit from continuing operations before tax</b>		<b>724.27</b>	<b>304.37</b>
<b>Tax expense:</b>			
Current tax	8	176.85	71.71
Deferred tax	8	14.93	2.22
		191.78	73.93
<b>Profit from continuing operations after tax</b>		<b>532.49</b>	<b>230.44</b>
<b>Discontinued operation</b>			
(Loss) / Profit from discontinued operations	33	(17.08)	(14.99)
Tax expense of discontinued operation	8	4.30	3.77
<b>(Loss) / Profit from discontinued operations after tax</b>		<b>(12.78)</b>	<b>(11.22)</b>
<b>Profit for the year</b>		<b>519.71</b>	<b>219.22</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gain / (loss) on defined benefit plan		33.47	(36.25)
Income tax effect	8	(8.42)	8.07
<b>Other comprehensive income for the year, net of income tax</b>		<b>25.05</b>	<b>(28.18)</b>
<b>Total comprehensive income for the year, net of income tax</b>		<b>544.76</b>	<b>191.04</b>
<b>Earnings per equity share - continuing operations</b>			
Basic	35	25.13	10.87
Diluted		25.13	10.87
<b>Earnings/(loss) per equity share - discontinued operation</b>			
Basic	35	(0.60)	(0.53)
Diluted		(0.60)	(0.53)
<b>Earnings per equity share - continuing and discontinued operation</b>			
Basic	35	24.53	10.34
Diluted		24.53	10.34

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

For and on behalf of the Board

**Amit Somani**

Partner

Membership No.: 060154

Bengaluru, February 10, 2022

**Sanjeev Sharma**

Managing Director

DIN: 07362344

**V K Viswanathan**

Director

DIN: 01782934

**T K Sridhar**

Chief Financial Officer

Bengaluru, February 10, 2022

**Trivikram Guda**

Company Secretary

ACS-17685

# Statement of cash flows

	(₹ in Crores)	
For the year ended December 31, 2021	2021	2020
<b>A. Cash flow from operating activities</b>		
Profit before tax from continuing operations	724.27	304.37
(Loss) / Profit before tax from discontinued operation	(17.08)	(14.99)
<b>Adjustments to reconcile profit before tax to net cash provided by operating activities</b>		
Depreciation and amortisation expense	102.70	120.36
Unrealised exchange loss / (gains) (net)	(14.53)	(1.86)
Mark to market change in forward and commodity contracts	28.55	(27.51)
(Profit) / loss on foreclosure of leased assets	(3.44)	-
(Profit) / loss on sale of business	(46.81)	-
(Profit) / loss on sale of fixed assets (net)	(69.32)	(1.25)
Bad debts / advances written off	63.58	119.51
Provision for doubtful debts and advances	(49.24)	(13.36)
Interest income	(68.62)	(67.72)
Interest expense	10.70	16.87
<b>Operating profit before working capital changes</b>	<b>660.76</b>	<b>434.42</b>
<b>Movement in working capital</b>		
Increase / (decrease) in trade payables	299.43	(271.64)
Increase / (decrease) in other financial liabilities	(264.28)	97.13
Increase / (decrease) in other liabilities and provisions	128.87	41.45
(Increase) / decrease in trade receivables	(245.30)	306.68
(Increase) / decrease in inventories	(182.23)	(53.53)
(Increase) / decrease in other financial assets	273.41	(238.07)
(Increase) / decrease in loans and other assets	91.63	105.03
Cash generated from operations	762.29	421.47
Direct taxes paid (net of refunds)	(113.05)	(103.25)
<b>Net cash flow from / (used in) operating activities</b>	<b>649.24</b>	<b>318.22</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(172.28)	(121.38)
Proceeds from sale of property, plant and equipment	36.44	7.69
Investment in bank deposits	(1,967.00)	-
Repayment of loan given to related party	-	347.62
Advance received for sale of property, plant and equipment	-	39.00
Proceeds from sale of mechanical power transmission business	44.58	-
Proceeds from sale of solar business	-	105.64
Proceeds from maturity of investments	0.08	-
Interest received	50.31	63.87
<b>Net cash flow from / (used in) investing activities</b>	<b>(2,007.87)</b>	<b>442.44</b>
<b>C. Cash flow from financing activities</b>		
Payment of principal portion of lease liabilities	(10.18)	(33.66)
Payment of interest portion of lease liabilities	(2.23)	(3.42)
Interest paid	(8.47)	(13.45)
Dividend paid (including tax on dividend)	(105.95)	(101.72)
<b>Net cash flow from / (used in) financing activities</b>	<b>(126.83)</b>	<b>(152.25)</b>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,485.46)	608.41
Effects of exchange (loss) / gain on cash and cash equivalents	(0.35)	0.63
<b>Cash and cash equivalents (opening balance)</b>	<b>2,203.95</b>	<b>1,594.91</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>718.14</b>	<b>2,203.95</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks		
- On current accounts	178.24	239.47
- Deposit accounts (Original maturity upto 3 months)	500.00	1,930.00
Cheques on hand / remittance in transit	39.89	34.47
Cash on hand	0.01	0.01
(Refer Note No.12)	718.14	2,203.95

Summary of significant accounting policies (Note-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 10, 2022

For and on behalf of the Board

**Sanjeev Sharma**  
Managing Director  
DIN: 07362344

**V K Viswanathan**  
Director  
DIN: 01782934

**T K Sridhar**  
Chief Financial Officer  
Bengaluru, February 10, 2022

**Trivikram Guda**  
Company Secretary  
ACS-17685



# Statement of changes in equity for the year ended December 31, 2021

## a. Equity share capital:

Equity shares of ₹ 2 each issued, subscribed and fully paid

	Numbers	(₹ in Crores)
As at January 1, 2020	21,19,08,375	42.38
Changes in equity share capital	-	-
As at December 31, 2020	21,19,08,375	42.38
Changes in equity share capital	-	-
<b>As at December 31, 2021</b>	<b>21,19,08,375</b>	<b>42.38</b>

## b. Other equity

Particulars	(₹ in Crores)						Total equity
	Securities premium	Employee stock options reserve	Retained earnings	General reserve	Capital redemption reserve	Capital reserve	
As at January 1, 2020	43.28	0.07	834.90	2,591.06	7.50	0.92	3,477.73
Adjustments pursuant to adoption of Ind AS 116 (net of tax)	-	-	(3.05)	-	-	-	(3.05)
Adjusted balance as at January 1, 2020	43.28	0.07	831.85	2,591.06	7.50	0.92	3,474.68
Profit for the year	-	-	219.22	-	-	-	219.22
Other comprehensive income (net of tax)	-	-	(28.18)	-	-	-	(28.18)
Dividend paid#	-	-	(101.72)	-	-	-	(101.72)
Balance at December 31, 2020	43.28	0.07	921.17	2,591.06	7.50	0.92	3,564.00
Profit for the year	-	-	519.71	-	-	-	519.71
Other comprehensive income/ (loss) (net of tax)	-	-	25.05	-	-	-	25.05
Dividend paid#	-	-	(105.95)	-	-	-	(105.95)
<b>As at December 31, 2021</b>	<b>43.28</b>	<b>0.07</b>	<b>1,359.98</b>	<b>2,591.06</b>	<b>7.50</b>	<b>0.92</b>	<b>4,002.81</b>

#Final dividend for the year ended 2020: ₹ 5.00 per share (2019: ₹ 4.80 per share)

Summary of significant accounting policies (Note-2)

The accompanying notes are an integral part of the financial statements

for and on behalf of the board

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 10, 2022

**Sanjeev Sharma**

Managing Director

DIN: 07362344

**T K Sridhar**

Chief Financial Officer

**V K Viswanathan**

Director

DIN: 01782934

**Trivikram Guda**

Company Secretary

ACS-17685

Bengaluru, February 10, 2022

# Notes to the financial statements for the year ended December 31, 2021

## 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 10, 2022.

## 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, judgements and assumptions. These estimates, judgements 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 judgements 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 36.

#### d. Provision for litigations and contingencies

The provision for litigations and contingencies is 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.

#### e. Allowance for credit loss on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. In calculating allowance, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

#### f. Taxes:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### 2.3.2 Judgements

Information about judgement 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 43 - leases: whether an arrangement contains a lease; and
- Note 43 - 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

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue are stated exclusive of goods and service tax and net of returns and trade and quantity discount.

Revenue from sale of products is recognised on transfer of control of the products to the customers, which is usually on delivery of goods to the customer or as per contractual terms with the customer.

Revenues from fixed price 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 services is recognised as per the terms of the contract with the customer using the percentage of completion method, in proportion that the costs incurred for work performed up to the reporting date bear to the estimated total costs.

Revenue from the development services are recognised on a cost plus basis and billed in accordance with the terms of arrangement with the customer.

Commission income is recognised as and when the terms of the contract are fulfilled.

Interest income is recognised on time proportion basis, based on the underlying interest rates.

## 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

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 overhaul 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 disclosed under other non-current assets 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
• Factory buildings	15-30
• Other buildings	3-60
• Furniture and fixtures	10
• Office equipments	3-5
• Plant and equipment	2-21
• Vehicles	5
• Freehold land is not depreciated	

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 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.

## 2.11 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.

## 2.12 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. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on trade receivables (net of billing in excess) and Contract assets. 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.

## 2.13 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.

## 2.14 Other income

Other income is comprised primarily of interest income. Interest income is recognized using the effective interest method.

## 2.15 Provisions, contingent liability and assets

### 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.

## 2.16 Financial instruments

### 2.16.1 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.

### 2.16.2 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. Commodity risk is mitigated by entering into future contracts to hedge against fluctuation in commodity prices.

**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.

## 2.17 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.

## 2.18 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. The Company has no potentially dilutive equity shares.

## 2.19 Employee benefits

### 2.19.1 Gratuity & Provident Fund - Defined benefit plans

The present value of the obligation under defined benefit plans are determined based on actuarial valuation performed by an independent actuary at each balance sheet date 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.

In case 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.

### 2.19.2 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.

### 2.19.3 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.

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.

### 2.20 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.

### 2.21 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.

### 2.22 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.

## 2.23 Leases

The Company had applied the new standard Ind AS 116 Leases using the modified retrospective approach.

The Company's significant leasing arrangements are mainly in respect of land and buildings, plant and equipment and vehicles.

### Policy applicable from January 1, 2020

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company had the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company had the right to direct the use of the asset.

### The Company as lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

### The Company as lessee

The Company recognises a right-of-use asset (ROU) and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease



payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised insubstance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of use assets and lease liabilities for leases of low value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **'Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 Leases, which replaced the earlier lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company had adopted Ind AS 116, effective annual reporting period beginning from January 1, 2020 using the modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (January 1, 2020). Accordingly, the Company had not restated comparative information, instead, the cumulative effect of initially applying this standard had been recognised as an adjustment to the opening balance of retained earnings as on January 1, 2020.

For transition, the Company had elected not to apply the requirements of Ind AS 116 to leases which were expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by lease basis. The Company had also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, had not reassessed whether a contract, was or contained a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset was recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at January 1, 2020. The principal portion of the lease payments had been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

## **2.24 Recent Indian Accounting Standards (Ind AS)**

The Ministry of Corporate Affairs ("MCA") through a notification dated 24 March 2021 amended Schedule III to the Companies Act, 2013. These amendments are applicable to the Company from 1 January 2022 and enhances the disclosures required to be made by the Company in its financial statements.

### 3 Property, plant and equipment and capital work-in-progress

(₹ in Crores)

	Owned assets									Leased assets	ROU Assets				
	Freehold Land	Lease hold Land	Leasehold Improvements	Factory Buildings	Other Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Vehicles	Plant and Equipment	Total	Land and Buildings	Plant and Equipment	Vehicles	Total
<b>Gross carrying value</b>															
As at January 1, 2020	54.87	11.33	20.91	168.63	67.93	557.52	20.60	53.32	0.31	29.02	984.44	-	-	-	-
Additions	-	-	0.01	1.57	2.33	60.87	2.13	2.20	2.68	-	71.79	44.12	20.32	14.20	78.64
Disposals	(0.02)	-	(3.96)	(0.04)	(0.67)	(9.52)	(2.05)	(1.35)	-	-	(17.61)	-	(11.51)	-	(11.51)
Transferred from owned / leased assets	-	-	-	-	-	-	-	-	-	-	-	10.28	13.55	-	23.83
Transferred to ROU assets	-	(11.33)	-	-	-	-	-	-	-	(29.02)	(40.35)	-	-	-	-
Transferred from asset held for sale	-	-	-	3.98	0.35	0.92	0.32	0.23	-	-	5.80	-	-	-	-
As at December 31, 2020	54.85	-	16.96	174.14	69.94	609.79	21.00	54.40	2.99	-	1,004.07	54.40	22.36	14.20	90.96
Additions	12.85	-	2.82	19.62	22.80	75.22	7.48	21.14	0.93	-	162.86	7.21	3.72	5.88	16.81
Disposals	(1.46)	-	(8.87)	(1.02)	(0.70)	(22.17)	(1.84)	(5.39)	(0.21)	-	(41.66)	(22.72)	(7.01)	(5.07)	(34.80)
Transferred to asset held for sale	-	-	(2.74)	(4.10)	(0.94)	(15.43)	(0.27)	(0.38)	(0.05)	-	(23.91)	(1.85)	-	(0.12)	(1.97)
<b>As at December 31, 2021</b>	<b>66.24</b>	<b>-</b>	<b>8.17</b>	<b>188.64</b>	<b>91.10</b>	<b>647.41</b>	<b>26.37</b>	<b>69.77</b>	<b>3.66</b>	<b>-</b>	<b>1,101.36</b>	<b>37.04</b>	<b>19.07</b>	<b>14.89</b>	<b>71.00</b>
<b>Accumulated depreciation</b>															
Balance as at January 1, 2020	-	0.82	7.53	24.90	7.14	185.75	8.24	14.72	0.07	15.47	264.64	-	-	-	-
Depreciation charge for the year	-	0.23	2.61	7.46	1.80	56.49	4.34	6.07	0.70	-	79.70	9.57	9.86	4.58	24.01
Disposals	-	-	(2.47)	(0.01)	-	(7.88)	(1.79)	(0.96)	-	-	(13.11)	-	(7.34)	-	(7.34)
Transferred from owned / leased assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to ROU assets	-	(1.05)	-	-	-	-	-	-	-	(15.47)	(16.52)	-	-	-	-
Transferred from asset held for sale	-	-	-	0.18	0.07	0.26	0.12	0.04	-	-	0.67	-	-	-	-
As at December 31, 2020	-	-	7.67	32.53	9.01	234.62	10.91	19.87	0.77	-	315.38	9.57	2.52	4.58	16.67
Depreciation charge for the year	-	-	2.48	7.29	1.78	56.55	4.56	6.67	0.39	-	79.72	7.21	9.42	4.19	20.82
Disposals	-	-	(7.32)	(0.77)	(0.13)	(18.64)	(1.80)	(4.62)	(0.21)	-	(33.49)	(5.71)	(2.56)	(2.28)	(10.55)
Transferred to asset held for sale	-	-	(1.26)	(1.13)	(0.33)	(9.82)	(0.23)	(0.23)	(0.05)	-	(13.05)	(1.39)	-	(0.06)	(1.45)
<b>As at December 31, 2021</b>	<b>-</b>	<b>-</b>	<b>1.57</b>	<b>37.92</b>	<b>10.33</b>	<b>262.71</b>	<b>13.44</b>	<b>21.69</b>	<b>0.90</b>	<b>-</b>	<b>348.56</b>	<b>9.68</b>	<b>9.38</b>	<b>6.43</b>	<b>25.49</b>
Net carrying value as at December 31, 2020	54.85	-	9.29	141.61	60.93	375.17	10.09	34.53	2.22	-	688.69	44.83	19.84	9.62	74.29
<b>Net carrying value as at December 31, 2021</b>	<b>66.24</b>	<b>-</b>	<b>6.60</b>	<b>150.72</b>	<b>80.77</b>	<b>384.70</b>	<b>12.93</b>	<b>48.08</b>	<b>2.76</b>	<b>-</b>	<b>752.80</b>	<b>27.36</b>	<b>9.69</b>	<b>8.46</b>	<b>45.51</b>
<b>Capital work in progress</b>															
As at January 1, 2020											59.48				
Additions during the year											52.58				
Capitalised during the year											(37.20)				
As at December 31, 2020											74.86				
Additions during the year											41.80				
Capitalised during the year											(39.73)				
<b>As at December 31, 2021</b>											<b>76.93</b>				

#### Notes:

- 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 19 acres and 04 guntas is registered in the Company's name and the balance 1 acres and 32 guntas is in the process of being registered.
- There are no tangible assets given on operating lease.

#### 4 Intangible assets

(₹ in Crores)				
	Goodwill	Other intangible assets		Total
		Technical Know-how fees	Capitalised Software	
<b>Gross carrying value</b>				
As at January 1, 2020	14.62	12.61	9.44	22.05
Additions	-	-	0.73	0.73
Disposal	-	(2.75)	(0.05)	(2.80)
As at December 31, 2020	14.62	9.86	10.12	19.98
Additions	-	-	1.10	1.10
Disposals	-	-	(0.06)	(0.06)
Transferred from asset held for sale	-	-	(0.16)	(0.16)
<b>As at December 31, 2021</b>	<b>14.62</b>	<b>9.86</b>	<b>11.00</b>	<b>20.86</b>
<b>Accumulated amortisation / impairment</b>				
Balance as at January 1, 2020	-	9.89	4.89	14.78
Amortisation charge for the year	-	1.13	1.52	2.65
Disposals	-	(2.55)	(0.03)	(2.58)
As at December 31, 2020	-	8.47	6.38	14.85
Amortisation charge for the year	-	0.75	1.41	2.16
Disposals	-	-	(0.06)	(0.06)
Transferred to asset held for sale	-	-	(0.14)	(0.14)
<b>As at December 31, 2021</b>	<b>-</b>	<b>9.22</b>	<b>7.59</b>	<b>16.81</b>
Net carrying value as at December 31, 2020	14.62	1.39	3.74	5.13
<b>Net carrying value as at December 31, 2021</b>	<b>14.62</b>	<b>0.64</b>	<b>3.41</b>	<b>4.05</b>

#### Note

(₹ in Crores)		
	2021	2020
Breakup of Goodwill CGU wise		
Electrification Products	14.62	14.62
	<b>14.62</b>	<b>14.62</b>

#### 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.

	2021	2020
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	
	2021	2020	2021	2020
<b>Investment in bonds and debentures</b>				
<b>Unquoted:-</b>				
<b>(Carried at amortised cost)</b>				
10 5.95%, 15 years Non-cumulative bonds of Karnataka Water & Sanitation Pooled Fund Trust of ₹ Nil ( December 31, 2020 - ₹ 83,334) each fully paid.	-	-	-	0.08
	-	-	-	0.08
Aggregate amount of Unquoted investments	-	-	-	0.08

## 6 Loans receivable

	(₹ in Crores)			
	Non-current		Current	
	2021	2020	2021	2020
(Unsecured considered good, unless otherwise stated)				
Security deposits	8.68	9.12	14.11	13.82
Loans to employees	-	-	4.40	4.06
	8.68	9.12	18.51	17.88

## 7 Other financial assets

	(₹ in Crores)			
	Non-current		Current	
	2021	2020	2021	2020
(Unsecured considered good, unless otherwise stated)				
Non-current bank balances	-	0.88	-	-
Interest accrued on fixed deposits	-	-	24.45	6.14
Deposits with customers	-	-	1.98	6.84
Other receivables**	-	-	616.61	885.88
Mark to market gain on forward contracts*	-	-	14.38	36.83
Mark to market gain on embedded derivatives*	-	-	11.56	4.85
	-	0.88	668.98	940.54

\* At fair value through profit and loss

\*\* Includes receivable from related party and receivables on behalf of related and other parties towards non-novated contracts.



## 8 Income tax

(₹ in Crores)

	2021	2020
<b>The major components of income tax expense for the years ended December 31,</b>		
<b>Statement of profit and loss:</b>		
<b>Profit or loss section (continuing and discontinued operations)</b>		
<b>Current income tax:</b>		
Current income tax charge	167.15	70.57
Taxes / (refund) relating to earlier years	5.40	(2.63)
Deferred tax	14.93	2.22
<b>Income tax expense reported in the statement of profit and loss</b>	<b>187.48</b>	<b>70.16</b>
<b>Other comprehensive income</b>		
Deferred tax related to items recognised in OCI during the year:	(8.42)	8.07
<b>Income tax expense charged to OCI</b>	<b>(8.42)</b>	<b>8.07</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate</b>		
Accounting profit before income tax (continuing and discontinued operations)	707.19	289.38
At India's statutory income tax rate of 25.17% (December 31, 2020 - 25.17%)	178.00	72.84
Adjustments in respect of current income tax		
Non-deductible expenses for tax purposes:	2.83	3.42
Others	6.65	(6.10)
<b>At the effective income tax rate of 26.511% (December 31, 2020 - 24.245%)</b>	<b>187.48</b>	<b>70.16</b>
<b>Deferred tax:</b>		
<b>Balance Sheet</b>		
Deferred tax relates to the following:	2021	2020
Property, plant and equipment	(25.15)	(34.13)
Right-of-use assets	(11.58)	(18.69)
Other intangible assets	1.17	(0.08)
Provision for doubtful debts and advances	77.19	94.28
Expenditure debited to the statement of profit and loss but allowable for tax purpose in subsequent years	52.23	75.83
<b>Net deferred tax assets/(liabilities)</b>	<b>93.86</b>	<b>117.21</b>
<b>Reflected in the balance sheet as follows:</b>		
Deferred tax assets	130.59	170.11
Deferred tax liabilities	(36.73)	(52.90)
<b>Deferred tax assets, net</b>	<b>93.86</b>	<b>117.21</b>

## 9 Income tax assets (net)

(₹ in Crores)

	Non-current		Current	
	2021	2020	2021	2020
Advance income-tax (net of provision for tax)	267.35	333.11	-	-
	267.35	333.11	-	-

**10 Other non-current assets**

	(₹ in Crores)	
	2021	2020
Capital advances	15.10	13.75
Advances recoverable in cash or kind (considered doubtful)	5.13	5.13
	5.13	5.13
Less: Provision for doubtful advances	5.13	5.13
	-	-
Taxes and duties recoverable	158.50	175.20
	173.60	188.95

**11 Trade receivables**

	(₹ in Crores)			
	Non-current		Current	
	2021	2020	2021	2020
<b>Unsecured</b>				
Considered good*	-	-	1,883.84	1,694.96
Considered doubtful	-	-	100.98	125.82
Credit impaired	199.59	227.38	-	-
	199.59	227.38	1,984.82	1,820.78
Less:				
Loss allowance on doubtful trade receivable	199.59	227.38	100.98	125.82
	-	-	1,883.84	1,694.96

\* Includes receivable from related party. (refer note 45)

**12 Cash and cash equivalents**

	(₹ in Crores)	
	2021	2020
Balances with banks		
- On current accounts	178.24	239.47
- Deposit accounts (Original maturity upto 3 months)	500.00	1930.00
Cheques on hand / remittance in transit	39.89	34.47
Cash on hand	0.01	0.01
	718.14	2,203.95

**13 Bank balances other than cash and cash equivalent**

	(₹ in Crores)	
	2021	2020
Unpaid dividend	2.60	2.62
Deposit accounts (Original maturity more than 3 months and less than 12 months)	1,967.00	-
	1,969.60	2.62

**14 Inventories (valued at lower of cost and net realisable value)**

	(₹ in Crores)	
	2021	2020
Raw materials and components (including goods in transit of ₹ 56.18 Crores, December, 31 2020 ₹ 98.19 Crores)	671.24	536.19
Work-in-progress	190.50	187.62
Finished goods	100.73	83.28
Traded goods	44.98	31.95
Stores and spares	1.64	1.79
	1,009.09	840.83

During the year ended **December 31, 2021 - ₹ (8.46) Crores** (December 31, 2020 - ₹ 26.24 Crores) was recognized as an expense / (reversal) in relation to inventory obsolescence.

**15 Others current assets**

	(₹ in Crores)	
	2021	2020
Pre-paid expenses	28.71	30.03
Contract assets (refer note 46)	54.02	61.08
Advances to suppliers	22.10	16.21
Advances to others	4.47	10.20
Balance with Government authorities	109.51	138.48
Taxes and duties recoverable	80.32	73.95
Gratuity advance	1.97	-
Other receivables	5.93	52.83
	307.03	382.78

## 16 Equity

Share capital	2021		2020	
	Equity shares		Equity shares	
	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
<b>Authorised share capital</b>				
At December 31, 2020	21,25,00,000	42.50	21,25,00,000	42.50
<b>At December 31, 2021</b>	<b>21,25,00,000</b>	<b>42.50</b>	<b>21,25,00,000</b>	<b>42.50</b>
	Preference shares		Preference shares	
	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
11% Redeemable 10 years, cumulative preference shares				
At December 31, 2020	7,50,000	7.50	7,50,000	7.50
<b>At December 31, 2021</b>	<b>7,50,000</b>	<b>7.50</b>	<b>7,50,000</b>	<b>7.50</b>
<b>Issued equity share capital</b>				
<b>Equity shares of ₹ 2 each issued, subscribed and fully paid</b>	<b>Numbers</b>	<b>(₹ in Crores)</b>	<b>Numbers</b>	<b>(₹ in Crores)</b>
At December 31, 2020	21,19,08,375	42.38	21,19,08,375	42.38
<b>At December 31, 2021</b>	<b>21,19,08,375</b>	<b>42.38</b>	<b>21,19,08,375</b>	<b>42.38</b>

**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.

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%	15,89,31,281	75%

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
	<b>15,89,31,281</b>	<b>31.79</b>	<b>15,89,31,281</b>	<b>31.79</b>

**17 Other equity**

	(₹ in Crores)	
	2021	2020
<b>a) Securities premium</b>		
Opening balance	43.28	60.00
<b>Closing balance</b>	<b>43.28</b>	<b>43.28</b>
<b>b) Retained earnings</b>		
Opening balance	921.17	834.90
Net profit for the year	519.71	219.22
Other comprehensive income/ (loss) (net of tax)	25.05	(28.18)
Less: Appropriations during the year		
Equity dividend paid	105.95	101.72
<b>Balance as at December 31,</b>	<b>105.95</b>	<b>101.72</b>
Change in accounting policy of leasing	-	(4.07)
Deferred tax	-	1.02
Net impact of change in accounting policy of retention discounting	-	(3.05)
<b>Closing balance</b>	<b>1359.98</b>	<b>921.17</b>
<b>c) Employee stock options reserve</b>		
Opening balance	0.07	0.07
<b>Closing balance</b>	<b>0.07</b>	<b>0.07</b>
<b>d) Capital reserve</b>		
Opening balance	0.92	0.92
<b>Closing balance</b>	<b>0.92</b>	<b>0.92</b>
<b>e) Capital redemption reserve</b>		
Opening balance	7.50	7.50
<b>Closing balance</b>	<b>7.50</b>	<b>7.50</b>
<b>f) General reserve</b>		
Opening balance	2591.06	2591.06
<b>Closing balance</b>	<b>2,591.06</b>	<b>2,591.06</b>
<b>Total other equity</b>	<b>4,002.81</b>	<b>3,564.00</b>

**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) Capital reserve**

Capital reserve pertains to acquisitions in the earlier years.

**d) 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.

**e) 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 Lease liabilities**

	(₹ in Crores)			
	Non-current		Current	
	2021	2020	2021	2020
Lease liabilities	18.53	44.93	18.13	13.31
	18.53	44.93	18.13	13.31

**19 Other financial liabilities**

	(₹ in Crores)			
	Non-current		Current	
	2021	2020	2021	2020
Security deposits received	5.23	5.27	0.04	0.04
Unpaid dividends	-	-	2.60	2.62
Employee related payables	-	-	75.11	68.45
Payable towards purchase of fixed assets	-	-	33.12	39.55
Mark to market loss on embedded derivatives*	-	-	19.14	14.80
Mark to market loss on forward contracts*	-	-	14.07	5.60
Accrued expenses	-	-	272.37	236.06
Other payables**	-	-	644.69	963.50
	5.23	5.27	1,061.14	1,330.62

\* At fair value through profit and loss

\*\* Includes payables to related party and payables on behalf of related and other parties towards non-novated contracts.

**20 Trade payables**

	(₹ in Crores)	
	2021	2020
Dues to micro and small enterprises	84.18	60.51
	84.18	60.51
Dues to creditors other than micro and small enterprises		
Acceptances	268.69	464.27
Other trade payables*	1,608.43	1,195.96
	1,877.12	1,660.23
	1,961.30	1,720.74

\* Includes payables from related party. (refer note 45)

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, 2021**.

(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:

Principal amount	79.12	55.62
Interest	2.72	2.61

(ii) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.

66.89 91.31



(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.34	2.28
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	5.06	4.89

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.

## 21 Other current liabilities

	(₹ in Crores)	
	2021	2020
Billing in excess of contract revenue	211.86	220.66
Statutory dues payable	84.75	81.04
Advance from customer	247.63	188.83
Advance received for sale of property, plant and equipment	-	39.00
	544.24	529.53

## 22 Provisions

	(₹ in Crores)			
	Non-current		Current	
	2021	2020	2021	2020
<b>Provisions for employee benefits</b>				
Gratuity	-	-	-	7.14
Provident fund	-	-	-	23.39
Leave benefits	-	-	29.90	23.55
<b>Other provisions</b>				
Warranties	-	-	123.76	100.43
Loss orders	-	-	33.43	28.97
Litigations	-	-	5.01	0.57
Sales tax and other indirect taxes	-	-	142.44	106.00
	-	-	334.54	290.05

### Nature of provisions:

- 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, 2021 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.
- Loss orders:** A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental cost necessary to fulfill the obligation under the contract.
- 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.
- 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, 2021	Additions	Amounts used	Unused Amounts reversed	Provisions pertaining to discontinued operations / Assets held for sale	As at December 31, 2021
Warranties	100.43	24.37	0.73	0.31	-	123.76
	(93.00)	(14.44)	(1.38)	(5.63)	-	(100.43)
Loss orders	28.97	33.46	29.00	-	-	33.43
	(23.57)	(16.48)	(11.08)	-	-	(28.97)
Litigations	0.57	4.44	-	-	-	5.01
	(0.57)	-	-	-	-	(0.57)
Sales tax and other indirect taxes	106.00	43.47	-	7.03	-	142.44
	(101.17)	(5.88)	-	(3.35)	(2.30)	(106.00)

**23 Income tax liability (net)**

(₹ in Crores)		
	Current	
	2021	2020
Provision for taxation (net of advance tax)	34.99	49.67
	34.99	49.67

**24 Revenue from operations (net)**

(₹ in Crores)		
	2021	2020
<b>Revenue from contracts with customers</b>		
Sale of products	6,523.01	5,255.81
Sale of services	341.01	501.36
	6,864.02	5,757.17
<b>Other operating revenues</b>		
Scrap sales	16.91	10.86
Commission income	0.50	0.59
Income from development services	47.48	36.88
Miscellaneous income	5.09	15.45
	69.98	63.78
<b>Revenue from operations (net)</b>	<b>6,934.00</b>	<b>5,820.95</b>
<b>Detail of revenue from contracts with customers</b>		
<b>(i) Sale of products</b>		
Switchgear of all types	2,601.67	2,050.73
Electronic control and supply units for variable speed drives and other applications	1,062.14	1,180.08
Motors and other machines	1,488.91	1,056.49
Others	1,370.29	968.51
	6,523.01	5,255.81
<b>(ii) Sale of services</b>		
Erection, commissioning and other engineering services	341.01	501.36
	341.01	501.36
	6,864.02	5,757.17

**25 Other income**

	(₹ in Crores)	
	2021	2020
<b>Finance income</b>		
Interest income:		
Interest on security deposit	0.33	0.40
Interest from deposits with bank	66.57	43.24
Interest income - on tax refunds etc.	1.72	20.23
Interest from loan to related party	-	3.85
	68.62	67.72
<b>Other income</b>		
Exchange rate difference - gain (net)	40.57	4.76
Profit on sale of fixed assets (net)	-	1.25
Other non operating revenue	50.43	37.90
	91.00	43.91
	159.62	111.63
	(₹ in Crores)	
	2021	2020

**26 Cost of materials consumed**

<b>Raw material and components consumed</b>		
Inventory at the beginning of the year	536.19	536.12
Add : Purchases during the year	3,892.45	3,228.01
Less : Inventory at the end of the year	671.24	536.19
<b>Cost of raw materials consumed</b>	3,757.40	3,227.94

**27 Purchases of traded goods**

Motors and other machines	105.88	105.56
Switchgears	2.69	3.02
Power invertors	0.97	1.25
Others	581.77	346.83
	691.31	456.66

**28 Changes in inventories of finished goods, traded goods and work-in-progress**

Opening stock		
- Finished goods	83.28	103.66
- Work-in-progress	187.62	187.37
- Traded goods	31.95	33.10
	302.85	324.13
Closing stock		
- Finished goods	100.73	83.28
- Work-in-progress	190.50	187.62
- Traded goods	44.98	31.95
	336.21	302.85
	(33.36)	21.28

**29 Employee benefit expenses**

Salaries, wages and bonus	512.07	492.36
Gratuity	9.37	7.48
Provident fund	13.00	17.34
Contribution to superannuation and other funds	14.90	15.34
Staff welfare expenses	27.94	24.17
Training, recruitment and transfer expenses	10.96	11.32
	588.24	568.01

**30 Finance costs**

Interest expenses	6.28	5.32
Finance cost lease obligation	2.23	3.42
Bill discounting and other charges	1.60	6.69
Interest expense on provisions measured at amortised cost	0.59	1.44
	10.70	16.87

**31 Depreciation and amortisation expense**

Depreciation of property, plant and equipment	79.72	93.70
Amortisation of intangible assets	2.16	2.65
Depreciation of right to use assets	20.82	24.01
	102.70	120.36

**32 Other expenses**

	(₹ in Crores)	
	2021	2020
Consumption of stores and spares	13.20	10.60
Packing expenses	27.80	22.62
Royalty and technology fees	198.70	172.64
Freight and forwarding	90.56	77.95
Postage and telephone	3.61	2.59
Commission (other than sole selling agent)	0.67	0.04
Power and fuel	20.06	32.10
Travelling and conveyance	39.41	28.93
Insurance	8.65	11.08
Rates and taxes (net)	45.54	23.87
Rent	21.32	16.25
Repairs :		
Buildings	8.69	6.16
Plant and machineries	21.88	18.59
Others	4.99	3.87
Reversal of provision for doubtful debts and advances (net)	(49.24)	(13.36)
Bad debts / advances written off	63.58	119.51
Loss on sale of fixed assets (net)	1.77	-
Printing and stationery	2.86	2.04
Bank charges	7.99	7.75
Corporate social responsibility expenditure	10.09	12.77
Legal and professional	55.70	37.91
Auditor's remuneration	1.62	1.55
Trade-mark fees	72.18	60.93
Information technology expenses	182.97	183.31
Director's fees and commission	2.38	1.35
Services from third parties	95.08	94.10
Testing and inspection charges	21.37	12.54
Seminar and publicity expenses	4.63	6.47
Group management fees	98.23	68.48
Network cost	25.08	31.81
Warranty	21.19	10.75
Miscellaneous (net)	40.18	46.12
	1,162.74	1,111.32
<b>Auditor's remuneration (excluding goods and service tax)*</b>		
As auditor:		
Audit fee	0.55	0.48
Tax audit fee	0.20	0.20
Limited review	0.60	0.60
In other capacity:		
Group reporting fees	0.15	0.15
Certification, etc	0.10	0.10
Reimbursement of expenses	0.02	0.02
	1.62	1.55

Details of corporate social responsibility expenditure		
Gross amount required to be spent during the year	10.09	12.77
Amount spent during the year		
Construction/acquisition of any asset	7.31	8.55
On purposes other than above	2.78	4.22
	10.09	12.77

### 33 Discontinued operations

On March 5, 2019, the Board of Directors of Company approved the Scheme of Arrangement amongst the Company and Hitachi Energy India Limited ('HEIL') (formerly ABB Power Products and Systems India Limited) for Demerger of Company's Power Grids business to HEIL ("Demerger") and the Appointed date for the Demerger was April 1, 2019. The Demerger was approved by National Company Law Tribunal ('NCLT') and the NCLT approval was filed with the Registrar of Companies on December 1, 2019 (Effective date).

Further, expenses incurred relating to the above mentioned discontinued business is disclosed as part of discontinued operations.

The financial performance and cash flows for powergrid business:

	2021	2020
<b>(a) Analysis of profit from discontinued operation</b>		
<b>Expenses</b>		
Employee benefit expenses	-	2.70
Other expenses	17.08	12.29
<b>Total expenses</b>	<b>17.08</b>	<b>14.99</b>
<b>Profit before tax</b>	<b>(17.08)</b>	<b>(14.99)</b>
Tax expense:	4.30	3.77
<b>Profit after tax</b>	<b>(12.78)</b>	<b>(11.22)</b>
<b>(b) Net cash flows attributable to the discontinued operation</b>		
Net cash (outflows) / inflows from operating activities	(6.40)	(7.99)
<b>Net cash outflows</b>	<b>(6.40)</b>	<b>(7.99)</b>

- 34 The board at its meeting held on December 21, 2021, granted approval for sale of Company's Turbocharger business, pertaining to Process Automation division to its wholly owned subsidiary for a consideration of ₹310 Crores. 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, 2021 pertaining to the Turbocharger business as Assets held for sale and Liabilities directly associated with assets held for sale respectively and measured the same at lower of cost and fair value (fair value less costs to sell).

<b>Carrying value of asset and liabilities classified as held for sale</b>	<b>2021</b>
Property, plant and equipment and intangible assets (including CWIP)	11.39
Non-current financial assets	0.65
Inventories	13.14
Trade receivables	33.87
Current financial assets	0.96
Other current assets	0.14
<b>Total assets (A)</b>	<b>60.15</b>
Trade payables	42.19



Other financial liabilities	5.27
Other current liabilities	1.07
Current liabilities - provisions	0.92
<b>Total liabilities (B)</b>	<b>49.45</b>
<b>Net Assets (A - B)</b>	<b>10.70</b>

### 35 Earning per share (EPS)

	(₹ in Crores)	
	2021	2020
The following reflects the income and share data used in the basic and diluted EPS computations		
<b>a) Profit after tax</b>		
From continuing operations	532.49	230.44
From discontinued operation	(12.78)	(11.22)
<b>b) Profit attributable to equity shareholders</b>	<b>519.71</b>	<b>219.22</b>
<b>c) Weighted average number of Equity Shares outstanding during the year</b>	<b>21,19,08,375</b>	<b>21,19,08,375</b>
<b>d) Nominal value of shares (in ₹)</b>	<b>2.00</b>	<b>2.00</b>
<b>e) Earnings per share- Basic and diluted (in ₹)</b>		
From continuing operations (in ₹)	25.13	10.87
From discontinued operation (in ₹)	(0.60)	(0.53)
From continuing and discontinued operations (in ₹)	24.53	10.34

### 36 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)	
	2021	2020
<b>A Gratuity</b>		
The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:		
Gratuity provision / (assets)	(1.97)	7.14
<b>Total</b>	<b>(1.97)</b>	<b>7.14</b>

	(₹ in Crores)		
	Defined benefit obligation	Fair value of plan assets	Benefit liability
<b>i) Changes in the defined benefit obligation and fair value of plan assets as at December 31, 2021:</b>			
<b>Gratuity cost charged to profit or loss:</b>			
As at January 1, 2020	87.65	82.89	4.76
Service cost	7.88	-	7.88
Net interest expense / income	5.72	6.12	(0.40)
<b>Total amount recognised in statement of profit and loss (Note 29)</b>	<b>13.60</b>	<b>6.12</b>	<b>7.48</b>
<b>Remeasurement (gains)/losses in other comprehensive income:</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	(1.19)	1.19
Actuarial changes arising from changes in financial assumptions	7.64	-	7.64
Experience adjustments	7.42	-	7.42
<b>Total amount recognised in other comprehensive income</b>	<b>15.06</b>	<b>(1.19)</b>	<b>16.25</b>
Contributions by employer	-	21.35	(21.35)
Benefits paid	(9.62)	(9.62)	-
As at December 31, 2020	106.69	99.55	7.14
Service cost	<b>9.22</b>	-	<b>9.22</b>
Net interest expense	<b>5.90</b>	<b>5.75</b>	<b>0.15</b>
<b>Total amount recognised in statement of profit and loss (Note 29)</b>	<b>15.12</b>	<b>5.75</b>	<b>9.37</b>
<b>Remeasurement (gains)/losses in other comprehensive income:</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	(0.10)	0.10
Actuarial changes arising from changes in financial assumptions	(4.34)	-	(4.34)
Experience adjustments	(4.89)	-	(4.89)
<b>Total amount recognised in other comprehensive income</b>	<b>(9.23)</b>	<b>(0.10)</b>	<b>(9.13)</b>
Contributions by employer	-	9.35	(9.35)
Benefits paid	(16.75)	(16.75)	-
<b>As at December 31, 2021</b>	<b>95.83</b>	<b>97.80</b>	<b>(1.97)</b>

	(₹ in Crores)	
	2021	2020
<b>ii) Amount recognized in balance sheet</b>		
Present value of funded obligations	95.83	106.69
Fair value of plan assets	97.80	99.55
<b>Net funded obligation</b>	<b>1.97</b>	<b>(7.14)</b>
<b>Net defined benefit (liability) / asset recognised in balance sheet</b>	<b>1.97</b>	<b>(7.14)</b>
<b>iii) Expense recognised in profit or loss</b>		
Current Service Cost	9.22	7.88
Interest Cost	0.15	(0.40)
	<b>9.37</b>	<b>7.48</b>
<b>iv) Remeasurements recognised in other comprehensive income</b>		
Actuarial (gain) loss on defined benefit obligation	(9.23)	15.06
Return on plan assets excluding interest income	0.10	1.19
	<b>(9.13)</b>	<b>16.25</b>
<b>v) The major categories of plan assets of the fair value of the total plan assets are as follows:</b>		
<b>Investments quoted in active markets</b>		
Government of India Securities (Central and State)	8.48%	4.86%
PSU securities	6.72%	3.85%
Special deposit scheme / Funds with LIC	79.35%	85.32%
Others (including bank balances)	5.45%	5.97%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
<b>vi) The principal assumptions used in determining gratuity obligations are shown below:</b>		
Discount rate	6.50%	6.00%
Future salary increases	7.75%	7.75%
<b>vii) The following payments are expected contributions to the defined benefit plan in future years</b>		
Within the next 12 months (next annual reporting period)	6.70	8.97
Between 2 and 5 years	35.82	39.11
Beyond 5 years	65.62	84.97
<b>Total expected payments</b>	<b>108.14</b>	<b>133.05</b>
The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years.		

	(₹ in Crores)			
	December 31, 2021		December 31, 2020	
	Discount rate	Future salary increases	Discount rate	Future salary increases
<b>viii) A quantitative sensitivity analysis for significant assumption as at December 31, 2021 is as shown below:</b>				
<b>Assumptions</b>				
Sensitivity analysis				
1% increase	(7.78)	8.82	(8.43)	9.52
1% decrease	9.01	(7.77)	9.78	(8.38)
<b>Impact on defined benefit obligation</b>				
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
<b>i) Changes in the defined benefit obligation and fair value of plan assets</b>			
As at January 1, 2020	481.88	481.56	0.32
Current service cost	69.17	-	69.17
Interest expense	50.92	50.90	0.02
<b>Total amount recognised in statement of profit and loss (Note 29)</b>	<b>601.97</b>	<b>532.46</b>	<b>69.51</b>
<b>Remeasurement (gains)/losses in other comprehensive income:</b>			
Actuarial (gain)/loss	60.96	-	60.96
Return on plan assets	-	40.96	(40.96)
<b>Total amount recognised in other comprehensive income</b>	<b>60.96</b>	<b>40.96</b>	<b>20.00</b>
Demerger adjustment#	246.15	244.96	1.19
Contributions	-	67.31	(67.31)
Benefit payments	(40.43)	(40.43)	-
As at December 31, 2020	868.65	845.26	23.39
Current service cost	<b>11.97</b>	-	<b>11.97</b>
Interest expense/income	<b>47.36</b>	<b>46.33</b>	<b>1.03</b>
Total amount recognised in statement of profit and loss (Note 29)	<b>59.33</b>	<b>46.33</b>	<b>13.00</b>
<b>Remeasurement (gains)/losses in other comprehensive income:</b>			
Actuarial (gain)/loss	(113.43)	-	(113.43)
Return on plan assets	-	(43.32)	43.32
Irrecoverable surplus (effect of asset ceiling)	-	(45.21)	45.21
<b>Total amount recognised in other comprehensive income</b>	<b>(113.43)</b>	<b>(88.53)</b>	<b>(24.90)</b>
Demerger adjustment#	12.66	12.54	0.12
Contributions	-	11.61	(11.61)
Benefit payments	(170.21)	(170.21)	-
<b>As at December 31, 2021</b>	<b>657.00</b>	<b>702.21</b>	<b>(45.21)</b>

#Pursuant to demerger, plan assets was transferred in the ratio of liability.

	(₹ in Crores)	
	2021	2020
<b>ii) Amount recognized in balance sheet</b>		
Present value of funded obligations	<b>657.00</b>	868.65
Fair value of plan assets	<b>702.21</b>	845.26
<b>Net funded obligation</b>	<b>45.21</b>	(23.39)
<b>Net defined benefit (liability) /asset*</b>	<b>45.21</b>	(23.39)
* As there is a net asset position as at December 31, 2021, the same has not been recognised.		

**iii) The principal assumptions are shown below:**

Discount rate	<b>6.50%</b>	6.00%
Expected return on EPFO	<b>8.50%</b>	8.50%

**iv) A quantitative sensitivity analysis for significant assumption as at December 31, 2021 is as shown below:**

0.5% increase in discount rate	<b>(23.76)</b>	(17.15)
0.5% decrease in discount rate	<b>23.76</b>	25.72

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:**

<b>Investments quoted in active markets</b>		
Government of India Securities (Central and State)	<b>53.00%</b>	52.14%
PSU securities	<b>30.00%</b>	34.20%
Others (including bank balances)	<b>17.00%</b>	13.66%
<b>Total</b>	<b>100.00%</b>	100.00%

vi) The Company contributed ₹ **13.00 Crores** towards employer's contribution for provident fund during the year December 2021.

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.

### 37 Fair value hierarchy

The Company's assets and liabilities which are measured at amortised cost for which fair value are disclosed at December 31, 2021

#### (i) Fair value hierarchy

			(₹ in Crores)	
Particulars	2021	2020		
Financial Assets at amortised cost				
Investments (refer note 5)	-	0.08		
Loans (refer note 6)	27.19	27.00		
Trade and other receivables (refer note 11)	1,883.84	1,694.96		
Cash and cash equivalents (refer note 12)	718.14	2,203.95		
Bank balances other than cash and cash equivalent (refer note 13)	1,967.00	-		
Other financial assets (refer note 7)	643.04	899.74		
Financial assets at fair value through profit and loss :				
Derivative instruments (refer note 7)	25.94	41.68		
Total financial assets	5,265.15	4,867.41		
Financial liabilities at amortised cost				
Borrowing				
Lease liability (refer note 18)	36.66	58.24		
Trade payables (refer note 20)	1,961.30	1,720.74		
Other financial liability (refer note 19)	1,033.16	1,315.49		
Financial liabilities at fair value through profit and loss :				
Derivative instruments (refer note 19)	33.21	20.40		
Total financial liabilities	3,064.33	3,114.87		
(₹ 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, 2021	25.94	-	25.94	-
Derivative instruments (refer note 7) - As at December 31, 2020	41.68	-	41.68	-
Financial liabilities at fair value through profit and loss :				
Derivative instruments (refer note 19) - As at December 31, 2021	33.21	-	33.21	-
Derivative instruments (refer note 19) - As at December 31, 2020	20.40	-	20.40	-

#### 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 their fair value, due to their 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 employ 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.



### 38 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, lease liabilities, 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, 2021.

Year	Commodity	Number of contracts	Contractual quantity	Buy /Sell
As at December 2021	Copper	239	3,090 MTs	Buy
As at December 2021	Silver	77	1,43,370 Ounce	Buy
As at December 2020	Copper	129	2,736 MTs	Buy
As at December 2020	Silver	48	1,04,948 Ounce	Buy

#### 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 EUR, CHF and USD. 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	USD	CHF	LKR	Others
<b>Trade Receivables</b>								
As at December 31, 2021	56.39	2.43	9.25	5.80	-	51.34	3.04	5.55
1% increase	0.56	0.02	0.09	0.06	-	0.51	0.03	0.06
1% decrease	(0.56)	(0.02)	(0.09)	(0.06)	-	(0.51)	(0.03)	(0.06)
As at December 31, 2020	52.92	2.44	9.43	5.70	-	32.31	8.27	5.09
1% increase	0.53	0.02	0.09	0.06	-	0.32	0.08	0.05
1% decrease	(0.53)	(0.02)	(0.09)	(0.06)	-	(0.32)	(0.08)	(0.05)
<b>Trade payables</b>								
As at December 31, 2021	291.94	1.88	6.85	1.02	83.24	9.97	11.05	8.78
1% increase	2.92	0.02	0.07	0.01	0.83	0.10	0.11	0.09
1% decrease	(2.92)	(0.02)	(0.07)	(0.01)	(0.83)	(0.10)	(0.11)	(0.09)
As at December 31, 2020	216.25	1.59	5.17	2.54	123.37	85.95	6.59	44.70
1% increase	2.16	0.02	0.05	0.03	1.23	0.86	0.07	0.45
1% decrease	(2.16)	(0.02)	(0.05)	(0.03)	(1.23)	(0.86)	(0.07)	(0.45)
<b>Cash and cash equivalents</b>								
As at December 31, 2021	-	0.12	7.09	35.56	-	-	1.18	-
1% increase	-	0.00	0.07	0.36	-	-	0.01	-
1% decrease	-	(0.00)	(0.07)	(0.36)	-	-	(0.01)	-
As at December 31, 2020	-	0.14	5.40	36.23	-	-	2.33	-
1% increase	-	0.00	0.05	0.36	-	-	0.02	-
1% decrease	-	(0.00)	(0.05)	(0.36)	-	-	(0.02)	-

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) Forward contracts outstanding as of December 31, 2021**

Currency	2021			2020		
	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)	Number of Contracts	Amount in Foreign Currency Crores	(₹ in Crores)
<b>Exports</b>						
CHF	1	0.01	0.37	23	0.11	8.78
EUR	16	0.25	22.00	57	0.47	42.86
SEK	2	0.53	4.41	3	4.89	44.05
USD	120	3.92	299.72	202	4.45	337.48
Others	3	0.05	3.05	5	0.06	3.51
			329.55			436.68
<b>Imports</b>						
CHF	22	0.92	78.04	9	0.42	34.72
EUR	104	1.27	116.93	300	1.73	157.02
SEK	5	3.91	35.10	1	4.27	38.46
USD	162	2.48	190.24	271	1.31	99.64
Others	20	4.72	56.69	55	4.77	53.38
			477.00			383.22

### 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 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	
	2021	2020
<b>Opening balance</b>	<b>353.20</b>	367.69
Additional ECL provision/(reversal)	<b>(27.31)</b>	14.05
Additional provision/(reversal)	<b>53.19</b>	105.11
Utilisation/reversals	<b>(78.51)</b>	(133.65)
<b>Closing balance</b>	<b>300.57</b>	353.20

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 believes 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)								
	2021				2020			
	On demand	Less than 1 year	More than 1 year	Total	On demand	Less than 1 year	More than 1 year	Total
<b>Year ended</b>								
<b>December 31, 2021</b>								
Borrowings	-	-	-	-	-	-	-	-
Lease liability	-	18.13	18.53	36.66	-	13.31	44.93	58.24
Other financial liabilities#	-	1,027.93	5.23	1,033.16	-	1,310.22	5.27	1,315.49
Trade payables	-	1,961.30	-	1,961.30	-	1,720.74	-	1,720.74
<b>Total non-derivative liabilities</b>	-	<b>3,007.36</b>	<b>23.76</b>	<b>3,031.12</b>	-	<b>3,044.27</b>	<b>50.20</b>	<b>3,094.47</b>

# excludes mark to market loss on embedded derivatives and forward contracts

#### 39 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)		
	2021	2020
Lease liabilities	36.66	58.24
Trade payables	1,961.30	1,720.74
Other financial liabilities	1,066.37	1,335.89
Less: cash and cash equivalents	(718.14)	(2,203.95)
<b>Net debts</b>	<b>2,346.19</b>	<b>910.92</b>
Total equity	4,045.19	3,606.38
<b>Capital and net debt</b>	<b>6,391.38</b>	<b>4,517.30</b>
<b>Gearing ratio</b>	<b>36.71%</b>	<b>20.17%</b>

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, 2021.

#### 40 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. Further, under the Long-term incentive plan (LTIP), ABB Limited, Zurich offers stock options to employees above certain grade. The share based payments expense accounted during the year is not material and hence the required disclosures have not been provided.

#### 41 Contingent liabilities and contingent assets

	(₹ in Crores)	
	2021	2020
<b>Contingent liabilities (Claims against the Company not acknowledged as debts)</b>		
Excise duty / service tax and sales tax liabilities dispute	392.53	354.81
Custom duty liabilities in dispute	20.05	20.05
Income tax matters in dispute	19.25	13.17
Other matters	174.98	175.95
	<b>606.81</b>	<b>563.98</b>

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.

The Company has outstanding performance bank guarantees as at December 31, 2021 aggregating to ₹ **146.62 Crores** (December 31, 2020 ₹ 300.85 Crores), issued to the customers of Marici Solar India Private Limited, Linxon India Engineering Private Limited and Dodge Industrial India Private Limited before the sale of business on slump sale basis to the respective companies. The commission on such bank guarantees has been reimbursed by the respective companies. The Company is also entitled for indemnification by the respective companies against any claims from the customers of these companies on such performance bank guarantees. Additionally, refer note 45(b)(xiv).

#### 42 Capital commitments

	(₹ in Crores)	
	2021	2020
Estimated amount of contracts remaining to be executed on account of capital commitments and not provided for (net of advances)	56.05	77.52

#### 43 Leases

The Company has taken vehicles, leasehold improvements, data processing equipment, office premises, warehouse and residential premises. These leases typically run for a period of eleven months to sixty months, with an option to renew the lease after that date. For certain leases, the Company is restricted from entering into any sub-lease arrangements. Information about leases for which the Company is a lessee is presented below.

	(₹ in Crores)			
Particulars	Land and Buildings	Vehicles	Data Processing Equipment	Total
<b>Balance as at December 1, 2020 (On adoption of Ind AS 116)</b>				
Reclassification pursuant to adoption of Ind AS 116	10.28	-	13.55	23.83
Additions during the year	44.12	14.20	20.32	78.64
Depreciation charge for the year	(9.57)	(4.58)	(9.86)	(24.01)
De-recognition during the year	-	-	(4.17)	(4.17)
<b>Balance as at December 31, 2020</b>	<b>44.83</b>	<b>9.62</b>	<b>19.84</b>	<b>74.29</b>
Additions during the year	7.21	5.88	3.72	16.81
Depreciation charge for the year	(7.21)	(4.19)	(9.42)	(20.82)
De-recognition during the year	(17.01)	(2.79)	(4.45)	(24.25)
<b>Balance as at December 31, 2021#</b>	<b>27.82</b>	<b>8.52</b>	<b>9.69</b>	<b>46.03</b>

#Includes balances transferred to assets held for sale ₹ 0.52 Crores

The Company during the year incurred ₹ **21.32 Crores** (December 31, 2020 ₹16.25 Crores) towards expenses relating to lease of low-value assets and short termed leases respectively.



The total cash outflow for leases during the year is ₹33.73 Crores (including interest of ₹2.23 Crores) [December 31, 2020: ₹53.33 Crores (including interest of ₹3.42 Crores)], including cash outflow of short-term leases and leases of low-value assets.

#### 44 Segment disclosures

##### 44(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.

**Process Automation segment (PA)** 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) (Discontinued)** 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. 33

vi) Effective January 1, 2021, Erstwhile Industrial Automation segment has been renamed as Process Automation.

## 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	Process Automation	Total
External sales	-	254.21	2,503.22	2,661.09	1,399.30	6,817.82
	-	(153.56)	(2,159.49)	(2,141.18)	(1,271.61)	(5,725.84)
Inter segment sales	-	1.01	74.24	40.59	3.16	119.00
	-	(1.62)	(70.87)	(39.79)	(11.16)	(123.44)
Other operating revenue	-	0.04	14.21	50.54	0.94	65.73
	-	(0.04)	(7.71)	(41.40)	(2.24)	(51.39)
Segment revenues	-	255.26	2,591.67	2,752.22	1,403.40	7,002.55
	-	(155.22)	(2,238.07)	(2,222.37)	(1,285.01)	(5,900.67)
Segment results	(17.08)	20.26	323.92	305.99	127.92	761.01
	(14.99)	(4.70)	(241.58)	(234.38)	(56.91)	(408.76)
Segment assets	-	113.71	1,350.96	1,408.12	928.24	3,801.03
	-	(115.12)	(1,148.97)	(1,272.03)	(966.27)	(3,502.39)
Segment liabilities	-	116.47	1,127.52	961.42	789.77	2,995.18
	-	(89.11)	(952.77)	(777.12)	(812.27)	(2,631.27)
Depreciation / amortisation	-	0.45	20.71	36.99	6.45	64.60
	-	(1.60)	(19.65)	(36.31)	(7.27)	(64.83)

## viii) Reconciliation of reportable segments with the financial statements

						(₹ in Crores)
	Revenues	Results / Net profit	Assets	Liabilities	Depreciation / amortisation	
Total segments	7,002.55	761.01	3,801.03	2,995.18	64.60	
	(5,900.67)	(408.76)	(3,502.39)	(2,631.27)	(64.83)	
Power grids (Discontinued)	-	(17.08)	-	-	-	
	(-)	(14.99)	(-)	(-)	(-)	
Corporate - unallocated (net)	50.45	(164.46)	4,271.71	1,032.37	38.10	
	(43.72)	(161.30)	(4,088.11)	(1,352.85)	(55.53)	
Exceptional item (refer note 47 & 48)	-	121.34	-	-	-	
	(-)	(58.79)	(-)	(-)	(-)	
Inter segment sales	119.00	-	-	-	-	
	(123.44)	(-)	(-)	(-)	(-)	
Interest expense	-	(10.70)	-	-	-	
	(-)	(16.87)	(-)	(-)	(-)	
Provision for tax	-	(191.78)	-	-	-	
	(-)	(73.93)	(-)	(-)	(-)	
As per financial statements	6,934.00	532.49	8,072.74	4,027.55	102.70	
	5,820.95	(230.44)	(7,590.50)	(3,984.12)	(120.36)	

**(b) Composition of geographical segments**

	(₹ in Crores)		
	India	Rest of world	Total
Segment revenues	6,062.25	871.75	6,934.00
	(4,870.99)	(949.96)	(5,820.95)
Segment non-current assets*	1,076.19	-	1,076.19
	(1,056.54)	(-)	(1,056.54)

\* 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, 2021 and 2020.

**45 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 with common directors and also a fellow subsidiary\***

ABB Global Industries and Services Private Limited, Bengaluru, India

Hitachi Energy India Limited, Bengaluru, India (Formerly ABB Power Products and Systems India Limited)

(fellow subsidiary until June 30, 2020)

\* Transactions with the parties has been disclosed as part of transactions with fellow subsidiaries.

**Entities over which key management personnel are able to exercise significant influence**

ABB India Foundation

**Entities under common control****Name of the Fellow subsidiaries:**

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, Vietnam

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 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 Ltd., Kyiv, Ukraine
ABB Power Grids Malaysia Sdn Bhd, Kuala Lumpur, Malaysia	ABB Ltd., Lusaka, Zambia
ABB Power Grids Peru S. A., Lima, Peru	ABB Ltd., Moscow, Russian Federation
ABB Power Grids Poland Sp. z o.o., Warsaw, Poland	ABB Ltd., Republic of Korea, Seoul
ABB Power Grids Singapore Pte. Ltd., Singapore, Singapore	ABB Ltd., Taipei, Taiwan (Chinese Taipei)
ABB Power Grids South Africa (Pty) Ltd, Johannesburg, South Africa	ABB Ltd., Zagreb, Croatia
ABB Power Grids Sweden AB, Västerås, Sweden	ABB Ltda., São Paulo, Brazil
ABB Power Grids Switzerland Ltd, Baden, Switzerland	ABB LV Installation Materials Co. Ltd. Beijing, China
ABB (China) Ltd., Beijing, China	ABB Malaysia Sdn Bhd., Subang Jaya, Malaysia
ABB Power Protection LLC, Wilmington, DE, United States	ABB Management Holding Ltd., Zürich, Switzerland
ABB Power Protection SA, Gambarogno, Switzerland	ABB Management Services Ltd., Zurich, Switzerland
ABB Power Systems Portugal, S.A, Oeiras, Portugal	ABB Mexico S.A. de C.V., San Luis Potosí SLP, Mexico
ABB Pte. Ltd., Singapore, Singapore	ABB Motion Limited, Bristol, United Kingdom
ABB S.A., Buenos Aires, Argentina	ABB Motors and Mechanical Inc, Fort Smith, AR, United States
ABB S.A., Casablanca, Morocco	ABB N.V., Zaventem, Belgium
ABB S.A., Lima, Peru	ABB Near East Trading Ltd., Amman, Jordan
ABB S.A., Santiago, Chile	ABB Oy, Helsinki, Finland
ABB S.p.A., Milan, Italy	ABB Supply Operations Ltd., Baden, Switzerland
ABB s.r.o., Prague, Czech Republic	ABB Global Business Services and Contracting India Private Limited, Bengaluru, India
ABB SARL, Kinshasa Gombe, Congo, Democratic Republic of the	ABB Technologies Ltd., Haifa, Israel
ABB Schweiz AG, Baden, Switzerland	ABB Technologies S.A., Dakar, Senegal
ABB Sécheron S.A., Satigny, Switzerland	ABB Technology SA, Abidjan, Cote d'Ivoire
ABB Shanghai Free Trade Zone Industrial Co., Ltd., Shanghai, China	ABB Power Grids Colombia Ltda, Bogotá, Colombia
ABB Shanghai Motors Co. Ltd., Shanghai, China	ABB Turbo Systems (Hong Kong) Limited, Hong Kong, Hong Kong Special Administrative Region of China
ABB Shanghai Transformer Co. Ltd., Shanghai, China	ABB Turbo Systems AG, Baden, Switzerland
ABB South Africa (Pty) Ltd., Modderfontein, South Africa	ABB Xiamen Surge Arrestor Co., Ltd., Xiamen, China
ABB Sp. z o.o., Warsaw, Poland	Asea Brown Boveri Industrial, Technical & Commercial Company of Imports – Exports S.A., Metamorphossis Attica, Greece
Power-One Renewable Energy Solutions LLC, Wilmington, DE, United States	ABB Xiamen Smart Technology Co., Ltd., Xiamen, China
Hitachi Energy Technology Services Private Limited, Bengaluru, India (Formerly ABB Power Technology Services Private Limited)	ABB Xiamen Switchgear Co. Ltd., Xiamen, China
ABB Global Marketing FZ LLC, Dubai, United Arab Emirates	ABB Xi'an Power Capacitor Company Limited, Xi'an, China
ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China	ABB Xinhui Low Voltage Switchgear Co. Ltd., Xinhui, China
ABB High Voltage Switchgear Co., Ltd. Beijing, Beijing, China	ABB, Inc., Paranaque, Metro Manila, Philippines
ABB Holdings Sdn. Bhd., Subang Jaya, Malaysia	ABBNG Limited, Lagos, Nigeria
ABB Inc., Cary, NC, United States	ABB Xiamen Low Voltage Equipment Co. Ltd., Xiamen, China
ABB Inc., Saint-Laurent, Quebec, Canada	Asea Brown Boveri Lanka (Private) Limited, Colombo, Sri Lanka
ABB GISL Employees Gratuity Trust	Asea Brown Boveri Ltd., Moka, Mauritius
ABB Industrial Solutions (Switzerland) SA, Riazzino, Switzerland	Asea Brown Boveri S.A., Madrid, Spain
ABB Industries (L.L.C.), Dubai, United Arab Emirates	B&R Industrial Automation Pvt. Ltd., Pune, India
ABB Industries FZ, Dubai, United Arab Emirates	Busch-Jaeger Elektro GmbH, Lüdenscheld, Germany
ABB Information Systems Ltd., Zurich, Switzerland	Electrical Materials Center Co. Ltd, Riyadh, Saudi Arabia
ABB Installation Products Inc, Memphis, TN, United States	Industrial C&S Hungary Kft., Budapest, Hungary
ABB Jiangjin Turbo Systems Company Limited, Chongqing, China	Iraq Technology for Advanced Energy LLC, Baghdad, Iraq
ABB Jiangsu Jingke Instrument Transformer Co., Ltd., Suqian, Jiangsu, China	Power-One Italy S.p.A., Terranuova Bracciolini (AR), Italy
ABB K.K., Tokyo, Japan	ABB Stotz-Kontakt GmbH, Heidelberg, Germany
ABB Enterprise Software (PGHV US non-legal entity), Mt. Pleasant, PA, United States	PT ABB Sakti Industri, Jakarta, Indonesia
ABB Limited/Jordan LLC., Amman, Jordan	Pucaro Elektro-Isolierstoffe GmbH, Roigheim, Germany
ABB Limited, Auckland, New Zealand	Shanghai ABB Power Transmission Company Ltd., Shanghai, China
ABB Limited, Bangkok, Thailand	Shantou Winride Switchgear Co., Ltd., Longhu District Shantou, China
ABB Limited, Dar Es Salaam, Tanzania, United Republic of ABB Limited, Dhaka, Bangladesh	Sucursal Panama de ABB SA, Panama
ABB Limited, Dublin, Ireland	Thomas & Betts Asia (Singapore) Pte. Ltd., Singapore
ABB Limited, Nairobi, Kenya	Trasfor SA, Monteggio, Switzerland
ABB Limited, Warrington, United Kingdom	Turbo Systems United Co. Ltd., Tokyo, Japan
ABB LLC., Muscat, Oman	Asea Brown Boveri Ltd., Employees Gratuity Fund
ABB LLC, Doha, Qatar	ABB India Employees' Provident Fund Trust
ABB LLP., Almaty, Kazakhstan	Asea Brown Boveri Ltd. Senior Executives Superannuation Scheme
ABB Logistics Center Europe GmbH, Menden, Germany	ABB SRL, Bucharest, Romania
ABB Ltd., Hanoi, Viet Nam	
ABB Ltd., Kampala, Uganda	

**Key Managerial Personnel :**

<b>(a) Managing Director</b>	Sanjeev Sharma
<b>(b) Non-Executive cum Independent Directors</b>	Darius E. Udawadia (upto April 28, 2021) Renu Sud Karnad V K Viswanathan Gopika Pant (w.e.f April 27, 2021)
<b>(c) Non-Executive Directors</b>	Jean-Christophe Deslarzes (upto February 10, 2021) Maria Rosaria Varsellona (w.e.f February 10, 2021) Morten Wierod
<b>(d) Chief Financial Officer</b>	T. K. Sridhar
<b>(e) Company Secretary</b>	B. Gururaj* Sunil L Naik* Trivikram Guda*

\*Consequent to the demise of Mr. B. Gururaj, the Company Secretary of the Company on April 12, 2021, Mr. Sunil L Naik was appointed as Company Secretary from October 6, 2021. On his relinquishment of the post of Company Secretary on December 21, 2021, effective December 22, 2021, Mr. Trivikram Guda has been appointed as the Company Secretary of the Company.

(₹ in Crores)		
	2021	2020
<b>(b) Transactions with related parties</b>		
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'.		
<b>i) Revenue from operations</b>		
Holding Company	0.05	4.25
Fellow Subsidiaries		
- Hitachi Energy India Limited, Bengaluru, India	86.63	23.31
- ABB Schweiz AG, Baden, Switzerland	89.24	69.14
- Power-One Renewable Energy Solutions LLC; Wilmington, DE; United States	-	1.83
- Other fellow subsidiaries	557.40	551.12
	733.27	645.40
	733.32	649.65
<b>ii) Interest Income</b>		
- Hitachi Energy India Limited, Bengaluru, India	-	3.85
<b>iii) Other non-operating revenue</b>		
- Hitachi Energy India Limited, Bengaluru, India	-	22.98
- Hitachi Energy Technology Services Private Limited, Bengaluru, India	-	2.05
	-	25.03
<b>iv) Purchases of raw materials, components, project items and traded goods</b>		
Fellow Subsidiaries		
- ABB Pte. Ltd., Singapore	235.08	191.08
- ABB Oy, Helsinki, Finland	231.02	207.46
- ABB Schweiz AG; Baden; Switzerland	176.18	220.19
- ABB S.p.A.; Milan; Italy	166.86	106.59
- ABB AB, Västerås, Sweden	99.77	126.63
- Other fellow subsidiaries	684.38	607.08
	1,593.29	1,459.03
<b>v) Expenditure / (reversal) of ESAP charges</b>		
Fellow Subsidiaries		
- ABB Equity Limited; Zurich; Switzerland	(0.44)	0.88



(₹ in Crores)		
	2021	2020
<b>vi) Expenditure on royalty, technology and trade-mark fees</b>		
Holding Company	72.18	60.93
Fellow Subsidiaries		
- ABB Schweiz AG, Baden, Switzerland	185.59	162.67
- Other fellow subsidiaries	12.28	9.03
	197.87	171.70
	270.05	232.63
<b>vii) Expenditure on information technology, engineering, management and other services</b>		
Holding Company	3.99	0.29
Fellow Subsidiaries		
- ABB Information Systems Ltd., Zurich, Switzerland	136.96	129.78
- ABB Global Industries and Services Private Limited, Bengaluru, India	63.15	88.38
- ABB Oy; Helsinki; Finland	47.00	37.77
- ABB Management Services Ltd., Zurich, Switzerland	39.70	28.80
- Other fellow subsidiaries	69.46	43.39
	356.27	328.12
	360.26	328.41
<b>viii) Expenses recovered from group companies</b>		
Fellow Subsidiaries		
- Hitachi Energy India Limited, Bengaluru, India	55.14	89.56
- ABB Global Business Services and Contracting India Private Limited, Bengaluru, India	24.01	9.26
- ABB Global Industries and Services Private Limited, Bengaluru, India	1.52	2.92
- ABB Management Services Limited, Zurich, Switzerland	1.62	1.83
- ABB AB, Västerås, Sweden	0.98	1.23
- Other fellow subsidiaries	16.02	23.61
	99.29	128.41
<b>ix) Other capital expenditure</b>		
Fellow Subsidiaries		
- ABB Schweiz AG; Baden; Switzerland	0.38	0.10
- ABB Global Industries and Services Private Limited, Bengaluru, India	0.37	0.03
- ABB Oy; Helsinki; Finland	0.33	0.82
- ABB Engineering (Shanghai) Ltd.; Shanghai; China	0.21	1.10
- Other fellow subsidiaries	0.64	0.58
	1.93	2.63
<b>x) Dividend paid during the year</b>		
Holding Company	79.47	76.29
Fellow Subsidiaries	-	-
	79.47	76.29
<b>xi) Repayment of loan granted</b>		
- Hitachi Energy India Limited, Bengaluru, India	-	347.62
<b>xii) Remuneration to key managerial personnel</b>		
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		
<b>Particulars</b>		
Short-term employee benefits	9.86	10.74
Post-employment benefits#	0.48	0.50
Other long-term benefits		
Share-based payments		
Directors' Sitting fees	0.10	0.12
Commission to Directors	2.28	1.23
<b>Total</b>	<b>12.72</b>	<b>12.59</b>
# 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		
<b>xiii) CSR Contribution</b>		
- ABB India Foundation	9.47	9.08

- xiv) Pursuant to demerger of Power Grid business to Hitachi Energy India Limited ("HEIL") with effect from April 1, 2019 and based on court approved demerger scheme, the Company has raised invoices to the customers of HEIL and received invoices from the vendors of HEIL during the year ended December 31, 2021 amounting to ₹ **127.92 Crores** (December 31, 2020 ₹ 1,139 Crores) and ₹ **64.24 Crores** (December 31, 2020 ₹ 249.74 Crores) respectively, towards the contracts yet to be novated by HEIL customers and vendors. The aforesaid invoices raised and invoices received have not been considered in the revenue from operations and cost of sales of the Company. The receivables and payables towards the aforesaid non novated contracts amounting to ₹ **317.27 Crores** (December 31, 2020 ₹ 597.87 Crores) and ₹ **273.17 Crores** (December 31, 2020 ₹ 613.99 Crores) have been disclosed as other receivables and other payables. The Company has outstanding performance bank guarantees as at December 31, 2021 aggregating to ₹ **500.12 Crores** (December 31, 2020 ₹ 1,180.83 Crores), issued to the customers of HEIL prior to the said demerger. The commission on such bank guarantees has been reimbursed by HEIL. The Company is also entitled for indemnification against any claims on such performance bank guarantees from the customers of HEIL. (Refer note 7, 19 and 41).

(₹ in Crores)		
	2021	2020
<b>(c) Amount due to / from related parties</b>		
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'.		
<b>i) Trade receivables</b>		
Holding Company	-	1.01
Fellow Subsidiaries		
- ABB Schweiz AG, Baden, Switzerland	37.19	29.33
- Hitachi Energy India Limited, Bengaluru, India	27.89	22.07
- Other fellow subsidiaries	186.49	140.43
	<b>251.57</b>	<b>191.83</b>
	<b>251.57</b>	<b>192.84</b>
- Add/ (Less) : Impact of foreign currency restatement	<b>(0.73)</b>	<b>1.23</b>
	<b>250.84</b>	<b>194.07</b>

	(₹ in Crores)	
	2021	2020
<b>ii) Other financial assets</b>		
Holding Company	-	0.09
Fellow Subsidiaries		
- ABB Global Industries and Services Private Limited, Bengaluru, India	4.52	14.87
- ABB Global Business Services and Contracting India Private Limited, Bengaluru, India	0.02	4.06
- Hitachi Energy India Limited, Bengaluru, India	146.25	168.61
- ABB Schweiz AG, Baden, Switzerland	1.24	0.33
- Other fellow subsidiaries	3.74	5.40
	155.77	193.27
	155.77	193.36
- Add/ (Less ) : Impact of foreign currency restatement	(0.01)	-
	155.76	193.36
<b>iii) Other current assets</b>		
Fellow Subsidiaries		
- ABB AG; Mannheim; Germany	0.49	-
- ABB Sp. z o.o.; Warsaw; Poland	0.44	0.44
- ABB Inc.; Cary, NC; United States	0.24	1.18
- ABB AB, Västerås, Sweden	-	1.65
- ABB South Africa (Pty) Ltd.; Modderfontein; South Africa	-	0.12
	1.17	3.39
- Add/ (Less ) : Impact of foreign currency restatement	0.03	0.43
	1.20	3.82
<b>iv) Trade payables</b>		
Holding Company		
Fellow Subsidiaries		
- Hitachi Energy India Limited, Bengaluru, India	6.93	1.87
- ABB Oy, Helsinki, Finland	89.16	53.39
- ABB S.p.A.; Milan; Italy	72.31	52.08
- ABB Pte. Ltd.; Singapore; Singapore	64.17	61.01
- ABB Schweiz AG, Baden, Switzerland	62.45	82.12
- ABB AB, Västerås, Sweden	49.45	76.65
- Other fellow subsidiaries	278.58	294.98
	623.05	622.10
	623.05	623.40
- Add/ (Less ) : Impact of foreign currency restatement	(3.63)	10.01
	619.42	632.11
<b>v) Other financial liabilities</b>		
Holding Company	26.79	23.33
Fellow Subsidiaries		
- ABB Global Business Services and Contracting India Private Limited, Bengaluru, India	6.96	-
- ABB S.p.A.; Milan; Italy	6.24	5.26
- ABB Global Industries and Services Private Limited, Bengaluru, India	0.87	0.38
- Asea Brown Boveri Lanka (Private) Limited; Colombo; Sri Lanka	0.82	5.11
- Hitachi Energy India Limited, Bengaluru, India	200.03	481.54
- Other fellow subsidiaries	10.91	6.65
	225.83	498.94
	252.62	522.27
- Add/ (Less ) : Impact of foreign currency restatement	(0.12)	0.56
	252.50	522.83
<b>vi) Other current liabilities</b>		
Fellow Subsidiaries		
- ABB Industries FZ; Dubai; United Arab Emirates	8.12	1.25
- ABB Transmission & Distribution Limited LLC; Abu Dhabi; United Arab Emirates	3.42	5.01
- ABB for Electrical Industries (ABB ARAB) S.A.E.; Cairo; Egypt	2.45	1.32
- ABB Engg. Technologies Co. (KSCC); Safat; Kuwait	1.15	6.01
- Other fellow subsidiaries	6.32	3.97

	(₹ in Crores)	
	21.46	17.56
- Add/ (Less) :Impact of foreign currency restatement	0.01	0.05
	21.47	17.61

#### 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 2019, the Company had provided inter-corporate loan to HEIL at the rate of 10% p.a which has been fully repaid by HEIL in the previous year.

There have been no guarantees provided or received for any related party receivables or payables.

### 46 Revenue from contracts with customers

#### a) Disaggregated revenue information

	(₹ in Crores)	
	2021	2020
<b>Revenue by geography</b>		
India	6,062.25	4,870.99
Other countries*	871.75	949.96
	6,934.00	5,820.95

\* Exports to any single country are not material to be disclosed.

Out of the total revenue recognised under Ind AS 115 during the period, ₹ 927.71 crores (December 31, 2020: ₹ 959.67 crores) is recognised over a period of time and ₹ 6,006.29 crores (December 31, 2020: ₹ 4,861.28 crores) is recognised at a point in time.

#### b) Contract balances

	(₹ in Crores)	
	2021	2020
Trade receivables	1,883.84	1,694.96
Advance from customers (Contract liabilities)	247.63	188.83
Billing in excess of contract revenue (Contract liabilities)	211.86	220.66
Contract assets	54.02	61.08
	2,397.35	2,165.53

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 ₹ 49.43 Crores (December 31, 2020 ₹ 148.92 Crores) from opening balance of contract assets has been reclassified to trade receivables upon billing to customers on completion of milestones.

Revenue recognized during the year from opening balance of contract liabilities amounts to ₹ 198.59 Crores (December 31, 2020 ₹ 164.16 Crores).

- c) There is no revenue recognised during the year from the performance obligation that is satisfied in previous year (arising out of contract modifications).

**d) Performance Obligation on fixed price contracts**

The fixed price 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.

**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, 2021 is ₹ 4,911.56 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 timing of conversion to revenue. However, it will be in a range of 1 to 3 years.

**f) Reconciliation between revenue recognized and contract price:**

	(₹ in Crores)	
	2021	2020
Contract price	6,898.74	5,769.09
Less: Reductions towards variable consideration components*	35.26	51.86
<b>Revenue</b>	<b>6,934.00</b>	<b>5,820.95</b>

\* Reduction towards variable consideration components include discounts, liquidated damages, etc.

- g) Information regarding segment wise disaggregation of revenue has been included in segment information (Refer note 44).

**47 Exceptional items**

(a) During the year, profit on sale of certain property, plant and equipment amounting to ₹ 74.53 Crores is disclosed as an exceptional item.

(b) During the year, Mechanical Power Transmission business has been sold to Dodge Industrial India Private Limited for a consideration of ₹ 44.58 Crores. The net assets transferred is ₹ 2.23 Crores (net liability) and profit on sale of business amounting to ₹ 46.81 Crores has been disclosed as an exceptional item.

- 48** On March 30, 2020, Board had approved the sale of Solar inverter Business. The Company entered into a Business Transfer Agreement (BTA) with Marici Solar India Private Limited, a wholly owned entity of FIMER S.p.A., in India ('Marici India') for a consideration of ₹ 105.63 Crores. The effective date of BTA was April 1, 2020. Pursuant to the BTA, during the previous year, the Company had recognized exceptional gain amounting to ₹ 58.79 Crores

- 49** (a) Pursuant to the strategic decision to ramp-down and de-risk the Energy industries division's projects (part of the Industrial Automation segment), the management during the previous year ended 31 December 2020 had re-assessed efforts to be expended on the long term legacy projects and recoverability of related receivables. Such re-assessment resulted in an aggregate impact of ₹ 79.45 Crores effected in the income statement of the previous year under relevant heads.

(b) During the previous year ended 31 December 2020, the Company announced and executed a voluntary retirement scheme for its employees in one of the divisions of Industrial Automation segment. The Company recorded an additional cost of ₹ 13.5 Crores towards this scheme in the statement of profit and loss of the previous year as "Employee costs".



**50** The Company has taken into account all the possible impacts of Covid-19 in preparation of these financial statements, including but not limited to its assessment of liquidity and going concern assumption & recoverable values of its financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of Covid-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

**51 Subsequent events:**

The Board of directors in their meeting held on February 10, 2022 have proposed a final dividend of ₹ **5.20** per equity share for the year ended December 31, 2021. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

For and on behalf of the Board

**Amit Somani**

Partner

Membership No.: 060154

Bengaluru, February 10, 2022

**Sanjeev Sharma**

Managing Director

DIN: 07362344

**V K Viswanathan**

Director

DIN: 01782934

**T K Sridhar**

Chief Financial Officer

Bengaluru, February 10, 2022

**Trivikram Guda**

Company Secretary

ACS-17685

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**ABB India Limited**

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