REF:INABB:STATUT:LODR:REGU 30: July 6, 2019

BSE Limited
P.J. Towers
Dalal Street
Mumbai 400 001

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

Attn: Listing Dept.

Dear Sir

Sub: Disclosure of information as per Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)
Ref: BSE - 500002 / NSE - ABB

Please take note that pursuant to order dated June 27, 2019, the Bengaluru Bench of the Hon'ble National Company Law Tribunal ("**NCLT**"), the Company has convened the meetings of Equity Shareholders and Unsecured Creditors of the Company on Friday, August 9, 2019 at Bengaluru for seeking their approval for the proposed Scheme of Arrangement between the Company and ABB Power Products and Systems India Limited, and their respective shareholders and creditors. Notices of the meetings are being dispatched from today to Equity Shareholders and Unsecured Creditors.

Copies of the Notices are attached herewith. We request you to take the same on record.

Thanking you,

For ABB India Limited

B Gururaj
General Counsel &
Company Secretary
FCS-2631

Encl: a/a

Tribunal convened Meeting

Equity Shareholders

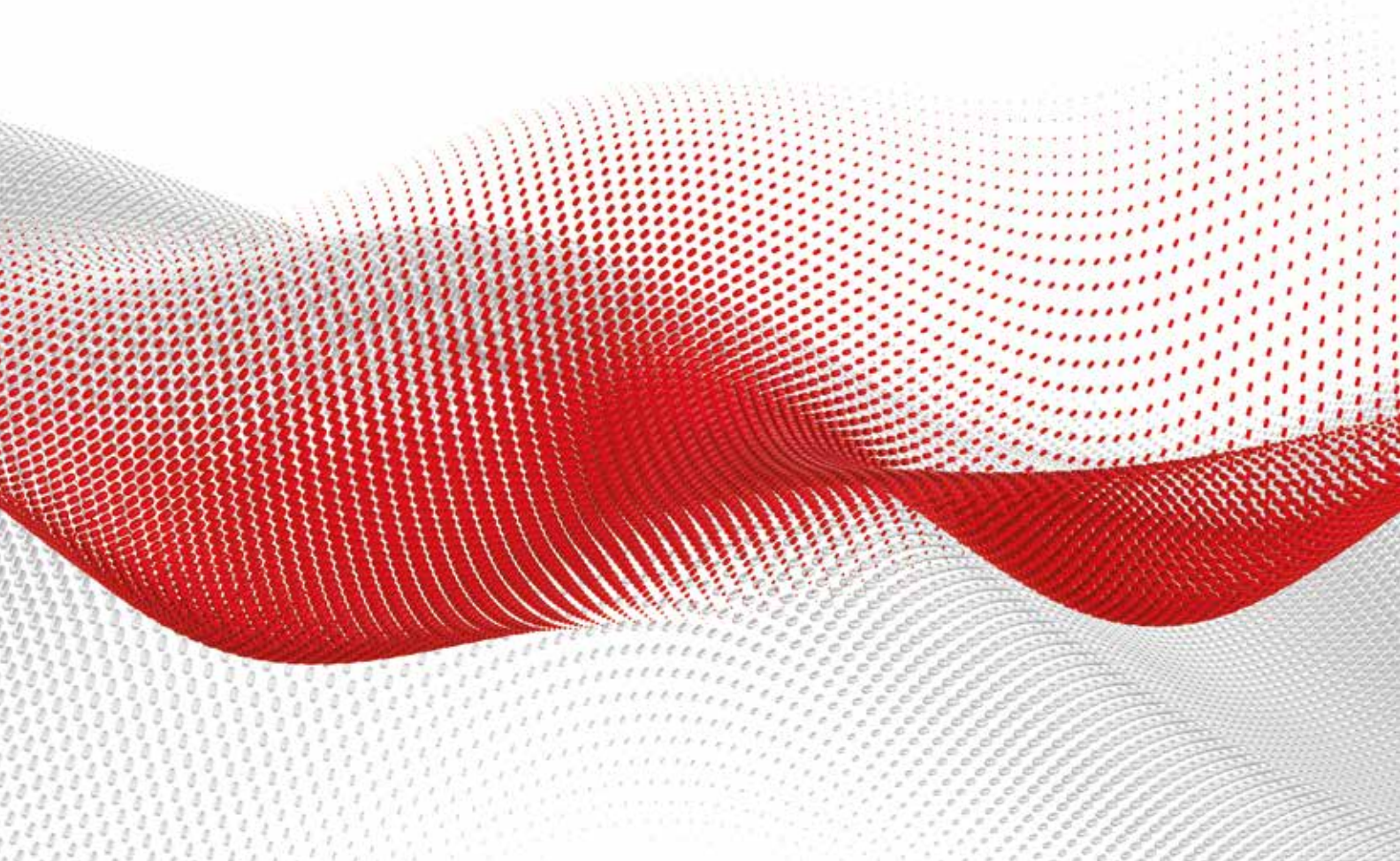


ABB India Limited

CIN: L32202KA1949PLC032923
Registered Office: 21st Floor, World Trade Center, Brigade Gateway
No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka
Phone: +91 (80) 22949240, 22949150 - 54; **Fax:** +91 (80) 22949148
Website: www.abb.co.in **E-mail:** investor.helpdesk@in.abb.com

TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Registered Office	21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka
Tel No	+91 80 22949240, 22949150 - 54
Fax No	+91 80 22949148
CIN	L32202KA1949PLC032923
Website **Email**	www.abb.co.in investor.helpdesk@in.abb.com

Day	Friday
Date	August 9, 2019
Time	10:00 am (IST)
Venue	“Aura”, Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022

POSTAL BALLOT AND E-VOTING

Commencing on	Wednesday, July 10, 2019 at 9.00 AM (IST)
Ending on	Thursday, August 8, 2019 at 5.00 PM (IST)

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

CA/CAA/32/BB/2019

In the matter of the Companies Act, 2013;

AND

In the matter of Application under Sections 230 - 232 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors.

ABB India Limited, a Public Company incorporated under the Companies Act, 1913 having CIN L32202KA1949PLC032923, and its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka, India

...Transferor Company/Applicant No. 1

AND

ABB Power Products and Systems India Limited, a Public Company incorporated under the Companies Act, 2013 having CIN U31904KA2019PLC121597, and its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka, India

...Transferee Company/Applicant No. 2

NOTICE CONVENING THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF ABB INDIA LIMITED

Notice is hereby given that by an order dated June 27, 2019, the Bengaluru Bench of the National Company Law Tribunal ("**NCLT**", and such order, the "**Order**") has directed a meeting of equity shareholders of ABB India Limited ("**Applicant Company**") to be held for the purpose of considering, and if thought fit, approving with or without modification, the proposed scheme of arrangement between the Applicant Company and ABB Power Products and Systems India Limited ("**APPSIL**") and their respective shareholders and creditors, pursuant to the provisions of Sections 230 - 232 of the Companies Act, 2013 ("**Act**") (the "**Scheme**").

In pursuance of the Order and as directed therein, further notice is hereby given that a meeting of equity shareholders of the Applicant Company will be held at the "Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022 on Friday, August 9, 2019 at 10.00 am IST ("**Meeting**"), at which place, date and time, the equity shareholders are requested to attend.

Copies of the said Scheme and of the Explanatory Statement under Section 230 of the Act can be obtained free of charge between 10.30 am to 12.30 pm on all working days at the registered office of the Applicant Company. Persons entitled to attend and vote at the Meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Applicant Company at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka not later than 48 hours before the aforesaid Meeting.

Forms of proxy are attached to this notice and can also be obtained at the registered office of the Applicant Company.

The NCLT has appointed Prof. Dr. R. Venkata Rao, ex-independent director of Bharat Electronics Limited, to be the Chairperson of the said Meeting. The above mentioned Scheme, if approved at the Meeting, will be subject to the subsequent approval of the NCLT.

TAKE NOTICE that the following resolution is proposed under Sections 230(3) of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Applicant Company, for the purpose of considering, and if thought fit, to assent/ dissent for the following resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made under the Companies Act, 2013 as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India (as amended) read with the observation letters issued by BSE Limited and the National Stock Exchange of India Limited both dated May 28, 2019, and relevant provisions of other applicable laws, the Memorandum of Association and Articles of Association of ABB India Limited, and subject to the approval of the Bengaluru Bench of the National Company Law Tribunal and such other approvals, permissions and sanctions of regulatory or governmental and other authorities or tribunal, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the Bengaluru Bench of the National Company Law Tribunal, or by any regulatory or other authorities or tribunal, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of ABB India Limited (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the board of directors or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the scheme of arrangement between ABB India Limited, a public listed company, having its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka and ABB Power Products and Systems India Limited, a limited company, having its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka and their respective shareholders and creditors ("**Scheme**"), enclosed with this notice, be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary to give effect to the above resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/ or permitted by the Bengaluru Bench of the National Company Law Tribunal while sanctioning the Scheme, or by any governmental authorities, or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder, creditor, Securities and Exchange Board of India, the National Company Law Tribunal, and/or any other authority, are in its view not acceptable to ABB India Limited, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto."

A copy of the Explanatory Statement under Section 230(3) of the Act, read with Section 102 of the Act and Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Arrangements Rules**") along with a copy of the Scheme and other annexures including Proxy Form, Attendance Slip, Postal Ballot Form are enclosed herewith.

Further, please note that in compliance with the Order and provisions of Section 230(4) read with Section 110 of the Act read with Rules 20 and 22 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, and in accordance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Paragraph 9 of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India ("**SEBI Scheme Circular**"), the Applicant Company has provided the facility of voting by postal ballot as well as remote e-voting so as to enable the equity shareholders to consider and if thought fit, approve the Scheme.

Accordingly, the Applicant Company shall be providing its equity shareholders the option to vote on the Scheme by way of: (i) postal ballot; (ii) remote e-voting; or (iii) physical ballot at the venue of the Meeting; to be held on Friday, August 9, 2019.

Dated at this 3rd day of July, 2019

Sd/-
Prof. Dr. R. Venkata Rao
Chairperson appointed for the Meeting

Registered Office:
ABB India Limited
21st Floor, World Trade Center, Brigade Gateway
No. 26/1, Dr. Rajkumar Road
Malleshwaram West
Bengaluru – 560055, Karnataka

Notes:

1. Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Meeting. An equity shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy(ies) to attend and vote instead of himself/herself and such proxies need not be an equity shareholder of the Applicant Company.

2. Proxies, to be effective shall be in the prescribed form, duly filled, stamped, signed and deposited by the person entitled to attend and vote at the said Meeting, or by his authorised representative, not less than 48 (forty eight) hours before the commencement of the Meeting at the registered office of the Applicant Company. The form of proxy can be obtained free of charge at the registered office of the Applicant Company.

3. Pursuant to the provisions of Act and the rules thereunder, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights. An equity shareholder holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.

4. All alterations made in the form of proxy should be initialed.

5. A minor cannot be appointed as a proxy.

6. The proxy of a member who is blind or incapable of writing will be accepted if such member has attached his/her signature or mark thereto in presence of a witness who has signed the proxy form and added his/her description and address provided that all insertions have been made by the witness at the request and in the presence of the member before the witness attached his/her signature or mark.

7. The proxy of a member who does not know English may be accepted if it is executed in the manner prescribed in note 6, and the witness certifies that it was explained to the member in the language known to him/her, and gives the member's name in English below the signature.

8. Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with their respective Depositories or with the Applicant Company or with the Registrar and Transfer Agents of the Applicant Company for admission to the meeting hall.

9. In case of joint holders attending the Meeting, only such joint holder whose name appears at the top in the hierarchy of names, in the register of members of the Applicant Company in respect of such joint holding, shall be entitled to vote.

10. The authorized representative of a body corporate which is a equity shareholder of the Applicant Company may attend and vote at the said Meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the said Meeting is deposited at the registered office of the Applicant Company at least 48 (forty eight) hours before the time fixed for the Meeting. Further, the authorized representative and any persons voting by proxy are requested to carry a copy of valid proof of identity at the Meeting.

11. The quorum of the Meeting shall be 50 (fifty) equity shareholders of the Applicant Company, present in person or proxy or through authorised representative, as prescribed by the NCLT vide the Order.

12. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders by permitted mode whose names appear in the register of members as on Monday, July 1, 2019 and a person who is not an equity shareholder on such date should treat the notice for information purposes only. The voting rights of an equity shareholder shall be in proportion to such equity shareholder's equity shareholding as on Monday, July 1, 2019.

13. All documents referred to in the Notice and Explanatory Statement will be available for inspection at the Applicant Company's registered office between 10.30 am to 12.30 pm on the working days till the date of the Meeting.

    In compliance with Section 108 of the Act, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in accordance with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has provided the facility to the members to exercise their vote electronically through the electronic voting service facility provided by Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot Nos. 31&32 Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.

    Equity shareholders desiring to exercise their vote by using the e-voting facility are requested to carefully follow the instructions in the Notes under the section 'Voting through electronic means' in this Notice.

14. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Applicant Company's website (www.abb.co.in) or seek duplicate postal ballot form from the Applicant Company or Karvy Fintech Private Limited. Members shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer on or before 5.00 pm (IST) Thursday, August 8, 2019. Any postal ballot form received after the said date and time period shall be treated as if the reply from the member has not been received.

15. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint members.

16. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed (as per the specimen signature registered with the Applicant Company and/or furnished by the Depositories) by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney ("**PoA**") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the postal ballot form.

17. The remote e-voting period and postal ballot period commences on Wednesday, July 10, 2019 (at 9.00 a.m. IST) and ends on Thursday, August 8, 2019 (at 5.00 p.m. IST). During this period, members of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Monday, July 1, 2019, may cast their vote by remote e-voting or postal ballot. The remote e-voting module shall be disabled by Karvy Fintech Private Limited for voting on Thursday, August 8, 2019 at 5.00 p.m. IST. Once the vote on the resolution is cast by a member, he or she will not be allowed to change it subsequently.

18. The members attending the Meeting who have not already cast their vote by remote e-voting or postal ballot shall be able to exercise their vote at the Meeting. The members who have cast their vote through remote e-voting or postal ballot prior to the Meeting may attend the Meeting but shall not cast their votes again. However, in case members cast their vote both via remote e-voting or postal ballot and voting at the Meeting, then voting through remote e-voting or postal ballot shall prevail and voting done at the Meeting shall be treated as invalid. In case members have cast their vote by both e-voting and postal ballot, then voting through e-voting shall prevail.

19. The Notice convening the aforesaid Meeting will be published through advertisement in the The Hindu (Bengaluru edition) in English language and a Kannada translation thereof in Vijaya Karnataka (Bengaluru edition) indicating the day, date, place and time of the Meeting and stating that the copies of the Scheme, the Explanatory Statement required to be furnished pursuant to Sections 230 - 232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Company.

20. Mr. Pradeep B Kulkarni, Practicing Company Secretary (Membership No. F7260) has been appointed as the scrutinizer by the NCLT vide its Order dated June 27, 2019 to conduct the postal ballot and e-voting process in a fair and transparent manner. The Scrutinizer's decision on the validity of the Postal Ballot Form will be final. The Scrutinizer will submit his/ her consolidated report to the Chairperson of the meeting after scrutinizing the voting made by members, including Public Shareholders, of the Company through postal ballots, remote e-voting and voting at the meeting. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contract (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. The Scrutinizer will collate the votes downloaded from the e-voting system, votes received through Postal Ballot Form and votes polled at the meeting to declare the final result for the resolution forming part of the Notice.

21. The results, together with scrutinizer's report, will be announced on or before Saturday, August 10, 2019 and will be placed on the website of the Company at https://new.abb.com/indian-subcontinent and on the website of e-voting agency at https://evoting.karvy.com besides being communicated to the BSE Limited and National Stock Exchange of India Limited where the shares of the Applicant Company are listed.

Voting through Electronic Means

1 INSTRUCTIONS FOR MEMBERS OPTING FOR E-VOTING:

a) In case of Members receiving the Notice by e-mail:

i) Open your web browser during the voting period and navigate https://evoting.karvy.com.

ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form: • For NSDL: 8 Character DP ID followed by 8 Digits Client ID • For CDSL: 16 digits beneficiary ID For Members holding shares in Physical Form: • Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed on the Note/via email forwarded through the electronic notice
Captcha	Enter the verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

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

iv) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Fintech Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

vi) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.

vii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and had cast your vote earlier for any company, then your existing login id and password are to be used.

viii) On the voting page, you will see Resolution description and against the same the option 'FOR/AGAINST/ ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member does not want to cast, it will be treated as "ABSTAINED".

ix) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.

x) Corporate/Institutional Members (corporate/Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to pbk@sreedharancs.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name EVENT NO."

b) In case of Members receiving Notice by Post:

i) Initial Password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

ii) Please follow all steps from Sl. No. 21(1) (a) above, to cast your vote.

a) In case of any queries, you may refer to the "Frequently Asked Questions" (FAQs) for Members and e-voting User Manual for Members available at the Downloads section of KARVY's e-voting website: https://evoting.karvy.com. You can also send your queries/grievances relating to e-voting to Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 with attention to Ms. C Shobha Anand, Deputy General Manager.

b) If you have already registered with KARVY for e-voting, you can use your existing User ID and Password for casting your vote. You can also update your mobile number and email ID in the User Profile details of the folio which may be used for sending future communication(s).

c) The e-voting period will commence from 9.00 a.m. IST on Wednesday July 10, 2019 and end at 5.00 p.m. (IST) on Thursday, August 8, 2019. The e-voting shall be disabled by KARVY at 5.00 p.m. IST on Thursday, August 8, 2019.

Encl: As above

EXPLANATORY STATEMENT UNDER SECTIONS 230(3) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF ABB INDIA LIMITED

1. Pursuant to an order dated June 27, 2019, passed by the Bengaluru Bench of the National Company Law Tribunal ("**NCLT**") in the abovementioned CA/CAA/32/BB of 2019 ("**Order**"), a meeting of the equity shareholders of ABB India Limited (the "**Applicant Company**") is being convened at the "Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022 on Friday, August 9, 2019 at 10.00 am IST ("**Meeting**") for the purpose of considering, and if thought fit, approving, with or without modification, the scheme of arrangement between the Applicant Company and ABB Power Products and Systems India Limited ("**APPSIL**") and their respective shareholders and creditors, pursuant to the provisions of Sections 230 - 232 of the Companies Act, 2013 ("**Act**"), and any other applicable provisions of the Act, as applicable (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the "**Scheme**"). The Scheme has been approved by the Board of Directors of the Applicant Company ("**Board**") at their meeting held on March 5, 2019. A copy of the Scheme is enclosed as **Annexure I.**

2. The Scheme inter alia provides for the transfer by way of demerger of the power grids business of the Applicant Company ("**Power Grids Business**") to APPSIL in consideration for issuance of equity shares by APPSIL to the shareholders of the Applicant Company, and various other matters consequential to or otherwise integrally connected with the above pursuant to the provisions of Sections 230 - 232 of the Act, and any other applicable provisions of the Act, as applicable (including any statutory modification(s) or re-enactment thereof), for the time being in force.

3. The proposed Scheme was placed before the audit committee of the Applicant Company ("**Audit Committee**") at its meeting held on March 5, 2019. On the basis of its evaluation and independent judgment and consideration of the share entitlement ratio reports submitted by SRBC & Co. LLP, independent chartered accountant and B.B. & Associates, independent chartered accountant (collectively, the "**Valuation Reports**") and the Fairness Opinion dated March 5, 2019 issued by ICICI Securities Limited, a SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the share entitlement ratio, the Audit Committee approved and recommended the Scheme to the Board.

4. The Board, at their meeting dated March 5, 2019, took into account the Valuation Reports and the independent recommendations of the Audit Committee and on the basis of their independent judgment, approved the Scheme.

5. In terms of the Order, the quorum for the Meeting shall be 50 (fifty) equity shareholders, present in person or through proxy or through authorised representative. In case the quorum as noted above for the Meeting is not present, then the Meeting shall be adjourned to the same day in the next week at the same time and place, or to such other date and such other time as may be directed by the NCLT, and thereafter the persons present and voting shall be deemed to constitute the quorum. In terms of the Order, the NCLT has appointed Prof. Dr. R. Venkata Rao, ex-independent director of Bharat Electronics Limited, to be the Chairperson of the Meeting.

6. The Applicant Company has filed the Scheme with the Registrar of Companies, Karnataka in Form No. GNL-1.

7. The Scheme is subject to approval by majority of persons representing three-fourth in value of the equity shareholders, of the Applicant Company, voting in person or by proxy or by remote e-voting or by postal ballot, in terms of Sections 230-232 of the Act.

8. **Details as per Rule 6(3) of the Arrangements Rules**

   (i) Details of the order of the NCLT directing the calling, convening and conducting of the Meeting:

   Please refer to paragraph no. 1 of this Explanatory Statement for date of the Order and the date, time and venue of the Meeting.

(ii) Details of the Applicant Company and APPSIL

S. No.	Particulars	ABB Power Products and Systems India Limited	ABB India Limited
1.	Corporate Identification Number	U31904KA2019PLC121597	L32202KA1949PLC032923
2.	Permanent Account Number	AARCA9513E	AAACA3834B
3.	Date of Incorporation	February 19, 2019	December 24, 1949
4.	Type of Company	Public Limited Company	Public Limited Company
5.	Registered office address and e-mail address	21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleswaram West, Bengaluru – 560 055, Karnataka sridhar.tk@in.abb.com	21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleswaram West, Bengaluru – 560 055, Karnataka b.gururaj@in.abb.com
6.	Name of the stock exchange(s) where securities of company(ies) are listed	Not listed on any stock exchange.	BSE Limited and National Stock Exchange of India Limited

(iii) Other Particulars of the Applicant Company as per Rule 6(3) of the Arrangements Rules

(a) **Summary of the main objects as per the Memorandum of Association and main business carried on by the Applicant Company**

The Applicant Company offers power and automation technology products to utilities, industries, channel partners, and original equipment manufacturers worldwide, operating through robotics and motion, electrification products, industrial automation and power grids segments. The objects of the Applicant Company as stated in its memorandum of association include the following:

(i) To carry on the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc., all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments and to carry out all activities in relation to business of power and automation generally.

(ii) to manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of insulated cables, and wires, rubber insulated wires and cables, cab tyre sheated wires, cables & flexibles flexible cords, cotton or silk braided, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper, rubber or bitumen insulated, lead covered power cables, armoured or non-armoured extra high tension, shielded and belted power cables type H, H.S.L. etc., mining shaft, submarine, and marine power cables, telephone and telegraph cables according to B.S.S. long distance cables, signalling cables, lead covered cables for house installation, accessories for power cables, lead covered cables for house installation, accessories for power cables, alplastable cables with seamless aluminium sheath covered with a second seamless skin of thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or stranded for telephone, telegraph and signalling purposes, aluminium and steel cored aluminium cables for overhead lines, bare copper, and cadmium copper wire, round or grooved for tramways, trolley buses etc. (also suitable for crane operation) bare copper and aluminium bus bars, binders, and rotor bars

suitable for dynamo, transformer and switchgear manufacturers, copper and aluminium wires and tapes for lightning conductors, aerials of copper, bronze, phosphor bronze, aluminium and all kinds of cables, wires, conductors and accessories.

(iii) to carry on the business of manufacturing, buying, selling, re-selling, altering, importing, exporting, improving, assembling, distributing, hiring on hire purchase system or otherwise dealing in machinery operated by the use of electricity, steam, motive power or mechanical force or otherwise wires, cables, conductors, insulators of all types, capacities, voltages, designs of high tension and low tension machines as hydro thermal or diesel electric stations, generators, transformers, sub-stations and transformer stations, L.T. & H.T. switchgear, L.T. & H.T. networks, electric locomotives tramways and industrial railways, electric railway lines, convertors and rectification stations for railways, post and industries, electric motors and electric tubes for all industrial and agricultural purposes, wiping plants, accessories and equipment and electric medical equipment, industrial and domestic electric appliances.

(b) Details of change of name, registered office and objects of the Applicant Company during the last five years

Change of Name: Nil

Change of Registered Office: Nil

Change of objects:

Following Clause of the Memorandum of Association of the Applicant Company was inserted pursuant to the Special Resolution passed at the 67th Annual General Meeting held on May 9, 2017

2(a) To carry on the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, Microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc; all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments and to carry out all activities in relation to business of power and automation generally whether or not expressly provided under this Memorandum.

(c) **Details of the capital structure of the Applicant Company including authorised, issued, subscribed and paid up share capital**

The authorized, issued, subscribed and paid up share capital of the Applicant Company as at December 31, 2018 is as under:

Share Capital	**Amount (In Rs.)**
Authorized Share Capital	
21,25,00,000 equity shares of Rs. 2/- each	42,50,00,000
7,50,000 preference shares of Rs. 100/- each	7,50,00,000
TOTAL	50,00,00,000
Issued, subscribed and paid-up Share Capital	
21,19,08,375 equity shares of Rs. 2/- each fully paid up	42,38,16,750
TOTAL	**42,38,16,750**

Post Scheme Capital Structure:

No shares of the Applicant Company are being issued, transferred or cancelled pursuant to the Scheme. Therefore, there is no change in the capital structure pursuant to the effectiveness of the Scheme.

(d) **Details of the Promoters and Directors along with their addresses**

The details of the promoter of the Applicant Company as on March 31, 2019 is as set forth below:

S. No.	Name of the Promoter	Address
Promoter/Promoter Group		
1.	ABB Asea Brown Boveri Ltd	Affolternstrasse 44 P.O. Box 8131, CH-8050, Zurich, Switzerland

The Applicant Company has 6 (six) Directors as on the date of this notice. The details of such Directors are set forth below:

S. No.	Name of Director	Designation	Address
1.	Mr. Jean-Christophe Deslarzes DIN: 08064621	Chairman -Non-Executive - Non Independent Director	Runggelmatt3 Wollerau 8832 Switzerland
2.	Mr. Darius E Udwadia DIN: 00009755	Non-Executive - Independent Director	Empress Court M.Karve Road Churchgate Mumbai 400 020
3.	Mr. Nasser Munjee DIN: 00010180	Non-Executive - Independent Director	Benedict Villa House No.471, Saudevado Chorao Island, Tiswadi Goa 403 102
4.	Mr. Sanjeev Sharma DIN: 07362344	Managing Director	Phoenix Bangalore One, Flat No. 2141 No 1 Dr Rajkumar Road Rajajinagar Bangalore 560 010
5.	Mr. Tarak Mehta DIN: 06995639	Non-Executive - Non Independent Director	Stockenstrasse 67 Kilchberg 8802 Zurich, Switzerland
6.	Mrs. Renu Sud Karnad DIN: 00008064	Non-Executive - Independent Director	BB 14, Greater Kailash Enclave II New Delhi 110 048

(a) **The date of the Board Meeting of the Applicant Company at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:**

Details of the Directors and their votes for the resolution passed on March 5, 2019 are as follows:

S. No.	Names of the Director of the Company	Voted in favour/against/abstain
1.	J C Deslarzes	Favour
2.	Sanjeev Sharma	Favour
3.	Nasser Munjee	Favour
4.	Renu Sud Karnad	Favour
5.	Tarak Mehta	Absent
6.	Darius E. Udwadia	Favour

(b) As on March 31, 2019, the Applicant Company has 6,245 (six thousand two hundred and forty five) unsecured creditors and amount due to such unsecured creditors is Rs. 3026,03,95,976 (Rupees Three Thousand Twenty Six Crore Three Lakhs Ninety Five Thousand Nine Hundred and Seventy Six only).

None of the Directors, the Key Managerial Personnel (as defined under the Act and rules formed thereunder) of the Applicant Company and their respective relatives (as defined under the Act and rules formed thereunder) have any interests, financial or otherwise in the Scheme except to the extent of their respective shareholding in the Applicant Company and APPSIL, if any.

(c) **Disclosure about the effect of the Scheme on the following persons:**

S. NO	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME
A.	Shareholders	The Applicant Company has only equity shareholders and does not have any preference shareholders. Upon the Scheme becoming effective and in consideration of the demerger, APPSIL shall allot equity shares credited as fully-paid up shares in APPSIL to the shareholders of the Applicant Company whose names appear in the register of members of the Applicant Company on a specified record date or to such of their respective heirs, executors, administrators or other legal representatives or successors in title as on such record date in the following manner: "1 (one) fully paid-up equity share, of face value Rs. 2 (Rupees two only) each in APPSIL for every 5 (five) fully paid up equity share(s) of face value Rs. 2 (Rupees two only) each of the Applicant Company." ("**Share Entitlement Ratio**") Pursuant to the demerger, the equity shares of APPSIL will be listed on the BSE Limited and the National Stock Exchange of India Limited. The entire shareholding of the Applicant Company in APPSIL, held by the Applicant Company and its nominees, will stand cancelled. The Scheme is expected to have several benefits for the Applicant Company, as indicated in the rationale of the Scheme set out above, and is expected to be in the best interests of the shareholders of the Company.
B.	Promoter(s)	Like all the shareholders of the Company, the promoters of the Applicant Company will be allotted equity shares in APPSIL in accordance with the Share Entitlement Ratio. Please refer to point A. above for details regarding effect on the shareholders.
C.	Non-Promoter Shareholders	Please refer to point A. above for details regarding effect on the shareholders.
D.	Key Managerial Personnel ("**KMP**")	The KMPs of the Applicant Company shall continue as Key Managerial Personnel of the Applicant Company after effectiveness of the Scheme.

E.	Employees	On the Scheme becoming effective, all employees of the Applicant Company who are either: (i) primarily engaged in the Power Grids Business; or (ii) jointly identified by the Board and the Board of APPSIL as being necessary for the proper functioning of the Power Grids Business including its future development, and, in each case, who are in service of the Applicant Company on the date immediately preceding the effective date of the Scheme ("**Transferred Employees**") shall be deemed to have become employees of APPSIL with effect from the Appointed Date (as defined in the Scheme) or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with APPSIL shall not be less favourable than those applicable to them with reference to their employment in the Applicant Company on the date immediately preceding the effective date of the Scheme. Services of the Transferred Employees shall be taken into account from the date of their respective appointment with the Applicant Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation, if any, APPSIL shall take into account such past services with the Applicant Company. The services of the Transferred Employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Applicant Company. Further, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Applicant Company, such proportion of the investments made in the funds and liabilities which are referable to the Transferred Employees shall be transferred to the similar funds created by APPSIL, or at the sole discretion of APPSIL, maintained as separate funds by APPSIL.
F.	Creditors	The Scheme is not prejudicial to the interests of creditors.
G.	Depositors	Not Applicable. The Applicant Company does not have any depositors.
H.	Debenture holders	Not Applicable. The Applicant Company does not have any debenture holders.
I.	Debenture Trustee and Deposit Trustee	Not Applicable. As on date, the Applicant Company does not have any Debenture trustee/Deposit trustee.

(d) **Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel (KMP), and other stakeholders:**

Please refer to point no. (b) and (c) above for the effect of the Scheme on material interests of Directors, KMPs and other stakeholders.

(iv) **Other Particulars of APPSIL as per Rule 6(3) of the Arrangements Rules**

(a) **Summary of the main objects as per the Memorandum of Association and main business carried on by APPSIL**

APPSIL is a newly incorporated wholly owned subsidiary of the Applicant Company with the objects of, inter alia, undertaking the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc.; all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments.

(b) **Details of change of name, registered office and objects of APPSIL during the last five years**

Change of name: Nil

Change of Registered Office: Nil

Change of objects: Nil

(c) **Details of the capital structure of APPSIL including authorised, issued, subscribed and paid up share capital**

The share capital structure of APPSIL as on March 31, 2019, is as under:

Share Capital	**Amount (In Rs.)**
Authorized Share Capital	
2,50,000 equity shares of Rs. 2/- each	5,00,000
TOTAL	5,00,000
Issued, subscribed and paid-up Share Capital	
50,000 equity shares of Rs. 2/- each, fully paid up	1,00,000
TOTAL	**1,00,000**

Post Scheme Capital Structure:

Upon the coming into effect of the Scheme, shares will be issued by APPSIL to the equity shareholders of the Applicant Company in accordance with the Share Entitlement Ratio. Further, the existing shareholding of the Applicant Company and its nominee shareholders in APPSIL shall stand cancelled without any further act or deed immediately following the issuance of shares by APPSIL to the shareholders of the Applicant Company, pursuant to the Scheme. There shall be no change in the shareholding pattern or control in APPSIL between the record date and the listing which may affect the status of approvals received from the stock exchanges, other than as provided in the Scheme.

(d) **Details of the Promoters and Directors along with their addresses**

The entire share capital of APPSIL as on March 31, 2019 is held by the Applicant Company and its nominee shareholders.

APPSIL has 3 Directors as on the date of this notice. The details of such Directors are set forth below:

S. No.	**Name of Director**	**Designation**	**Address**
1.	Mr. Sanjeev Sharma DIN-07362344	Director	Phoenix Bangalore One, Flat No. 2141, No 1 Dr Rajkumar Road, Rajajinagar Bangalore 560 010
2.	Mr. T.K. Sridhar DIN-06960804	Director	# FT 12025 12th BLK 2nd Floor, Sobha Elite Nagasandra Tumkur Road, Near Shell Petrol Bunk, Bengaluru 560 073
3.	Mr. B. Gururaj DIN-00134583	Director	B 006, Renaissance Park 3, Malleswaram West, Subramanya Nagar Bangalore 560 055

(e) **The date of the Board Meeting of APPSIL at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not or participate on such resolution:**

Details of Directors of APPSIL who voted on the resolution passed on March 5, 2019 are as follows:

S. No.	Names of the Directors as on March 5, 2019	Voted in favor/against/Abstain
1.	Mr. Sanjeev Sharma	Favour
2.	Mr. T.K. Sridhar	Favour
3.	Mr. B. Gururaj	Favour

(f) As on March 31, 2019, APPSIL has no unsecured creditors.

(g) None of the Directors, the Key Managerial Personnel (as defined under the Act and rules formed thereunder) of APPSIL and their respective Relatives (as defined under the Act and rules formed thereunder) have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Applicant Company and APPSIL, if any. APPSIL does not have any debenture trustees.

(h) **Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel, and other stakeholders:**

Disclosure about the effect of the Scheme on the following persons:

S. NO	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME ON STAKEHOLDERS
A.	Shareholders	APPSIL has only equity shareholders and does not have any preference shareholders. The entire shareholding of the APPSIL is held by the Applicant Company and its nominees. As an integral part of the Scheme the entire pre-scheme share capital of APPSIL will stand cancelled and accordingly, the Applicant Company will cease to be a shareholder of APPSIL. Upon the Scheme becoming effective and in consideration of the demerger, APPSIL shall allot equity shares credited as fully-paid up shares in APPSIL to the shareholders of the Applicant Company whose names appear in the register of members of the Applicant Company on a specified record date or to such of their respective heirs, executors, administrators or other legal representatives or successors in title as on such record date in the following manner: "1 (one) fully paid-up equity share, of face value Rs. 2/- (Rupees Two only) each in APPSIL for every 5 (five) fully paid up equity share(s) of face value Rs. 2/- (Rupees Two only) each of the Applicant Company.". Pursuant to the demerger, the equity shares of APPSIL will be listed on the BSE Limited and the National Stock Exchange of India Limited.
B.	Promoter(s)	The promoter i.e. the Applicant Company will cease to be a shareholder of APPSIL.
C.	Non-Promoter Shareholders	Please refer to point A. above for details regarding effect on the shareholders.

D.	Key Managerial Personnel	APPSIL has no key managerial personnel as of date.
E.	Employees	APPSIL does not have any employees as of date.
F.	Creditors	APPSIL does not have any creditors as of date.
G.	Depositors	Not Applicable. APPSIL does not have any depositors.
H.	Debenture Holders	Not Applicable. APPSIL does not have any debenture holders.
I.	Debenture Trustee and Deposit Trustee	Not Applicable. As on date, APPSIL does not have any Debenture Trustee/Deposit Trustee.

(v) Other details regarding the Scheme required as per Rule 6(3) of the Arrangements Rules

(a) **Relationship between the Applicant Company and APPSIL:**

APPSIL is a wholly owned subsidiary of the Applicant Company. However, in terms of the Scheme, upon effectiveness of the Scheme, all equity shares of APPSIL held by the Applicant Company (directly and/or through nominees) shall stand cancelled without any further application, act or deed immediately following the issuance of shares by APPSIL to the shareholders of the Applicant Company, pursuant to the Scheme.

(b) **Appointed Date, Effective Date, Record Date and Share Exchange Ratio:**

Appointed Date: means the opening of business on April 01, 2019 or such other date as the NCLT may direct/allow.

Effective Date: means the last of the dates on which all the conditions and matters referred to in Clause 24 occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall be the Effective Date.

Record Date: means a date to be fixed by the Board of the Applicant Company for the purposes of determining the equity shareholders of the Applicant Company to whom equity shares of APPSIL would be issued and allotted in accordance with Clause 16.

Consideration for the demerger of Applicant Company's Power Grids Business

Upon the coming into effect of the Scheme, shares will be issued by APPSIL to the equity shareholders of the Applicant Company in accordance with the Share Entitlement Ratio. Further, the existing shareholding of the Applicant Company in APPSIL shall stand cancelled without any further act or deed immediately following the issuance of shares by APPSIL to the shareholders of the Applicant Company, pursuant to the Scheme.

(c) **Summary of share entitlement ratio report**

Share entitlement ratio reports dated March 5, 2019 have been issued to the Applicant Company by SRBC & Co. LLP and B.B & Associates. B.B & Associates have also issued a share entitlement ratio report to APPSIL.

The share entitlement ratio set out in the reports have been determined based on the Net Asset Value method.

The recommendation of the share entitlement ratio has been approved by the Board, Audit Committee of the Applicant Company, board of directors of APPSIL and audit committee of APPSIL. Copies of the share entitlement ratio reports are available for inspection as set out in paragraph (v)(j)D. below.

A Fairness Opinion dated March 5, 2019 was issued by ICICI Securities Limited, a SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the share entitlement ratio from a financial point of view.

(d) **Details of capital restructuring**

Please refer to paragraph (iii)(c) and paragraph (iv)(c) above.

(e) **Details of debt restructuring**

There is no debt restructuring being undertaken pursuant to the Scheme.

(f) **Summary of the Accounting Treatment**

The Applicant Company shall follow the accounting treatment in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and/or as per generally accepted accounting principles applicable to the Applicant Company. Please refer to Clause 18 of the Scheme for more details.

(g) **Rationale of the Scheme of Arrangement, and the benefit of the Scheme of Arrangement as perceived by the Board of Directors of the Applicant Company**

A. The Applicant Company has been driving industrial change as a pioneering technology leader. The Applicant Company is now taking fundamental actions to realign its business to focus, simplify and lead in digital industries for enhanced customer value and shareholder returns.

B. These actions include the separation of the Applicant Company's portfolio of digital industries from the Applicant Company's traditional, long gestation, projects led, business of power grids, with requirements that include access to financing, by transfer of the Power Grids Business to a demerged legal entity.

C. The simplification of the Applicant Company's business model and structure with the implementation of this new organization is expected to provide each business with full operational ownership of products, functions, R&D and territories. These actions are likely to position the Applicant Company with a leadership role in digital solutions, and evolving technologies such as artificial intelligence in India, while allowing APPSIL to independently focus on a likely leadership position in the Power Grids Business with its unique and established market dynamics.

D. With continuous advances in technology driving an unprecedented rate of development, the Applicant Company's customers' businesses in the country are being profoundly impacted. Indian customers are looking for more complete solutions, combining the right products with leading engineering expertise and domain capability.

E. The planning of fundamental actions whose objective is to focus, simplify and lead in digital industries is expected to allow the Applicant Company to more effectively meet customers' needs and capture market opportunities in Indian industries at an inflection point of digital transformation, with an even stronger customer proximity.

F. The new structure with a demerged self-contained Power Grids Business is likely to help deliberate refocusing onto industrial customers. Focus on digital industries in an era of energy and fourth industrial revolution, needs to be distinguished from the slower cycle, government influenced, financing support enabled large projects of Power Grids Business.

G. The proposed demerger is expected to assist the current power grids division to independently pursue the business excellence built over a long period in the power infrastructure with its robust and time tested business model.

H. In order to effect the segregation of the Power Grids Business from the other businesses of the Applicant Company, the Applicant Company has proposed to transfer the Power Grids Business to APPSIL by way of demerger in accordance with Sections 230-232 of the Act and the SEBI Scheme Circular.

I. In consideration of the demerger, the shareholders of the Applicant Company will receive equity shares in APPSIL, which will be listed on the stock exchanges. The shares held by the Applicant Company in APPSIL will be cancelled upon effectiveness of the Scheme.

J. The demerger and consequent issue of equity shares by APPSIL are proposed to allow shareholders of the Applicant Company and APPSIL and investors to invest in the distinct key businesses and allow shareholders of the Applicant Company and APPSIL unlock the value of their investments.

(h) No investigation or proceedings have been instituted or are pending in relation to the Applicant Company and APPSIL under the Act.

(i) The pre-Scheme and post-Scheme shareholding patterns of the Applicant Company are attached at Annexure IX.

(j) **Details of availability of the following documents for obtaining extracts from or making or obtaining copies**

The following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors of the Applicant Company at its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka between 10.30 a.m. to 12.30 p.m. on any working day up to the date of the Meeting. Copies of the Scheme and Explanatory Statement are available at the registered office of the Applicant Company free of charge.

A. Certified copy of the order passed by the Bengaluru Bench of the NCLT in CA/CAA/No.32/BB of 2019, dated June 27, 2019 directing the Applicant Company and APPSIL separately, to convene the respective meetings;

B. Copy of the Scheme;

C. Copies of the Memorandum of Association and Articles of Association of the Applicant Company and APPSIL;

D. Share entitlement ratio reports issued by SRBC & Co. LLP, independent chartered accountant and B.B. & Associates, independent chartered accountant;

E. Copies of the latest audited financial statements of the Applicant Company and latest unaudited financial statements of APPSIL;

F. Register of Directors' Shareholding of the Applicant Company and APPSIL;

G. The certificates issued by auditors of the Applicant Company and APPSIL to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;

H. Copies of Form No. GNL-1 filed by the respective companies with the Registrar of Companies Karnataka, along with challans, evidencing filing of the Scheme.

I. Abridged Prospectus for APPSIL.

(k) **Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities in relation to the Scheme**

A. The Scheme was filed by the Applicant Company and APPSIL with the Bengaluru Bench of the NCLT on May 30, 2019 and the Bengaluru Bench of NCLT has given directions to convene Meeting vide an Order dated June 27, 2019.

B. The Scheme is subject to approval by majority of persons representing three-fourth in value of the equity shareholders, of the Applicant Company, voting in person or by proxy or by remote e-voting or by the postal ballot, in terms of Sections 230-232 of the Act.

9. **The relevant clauses of the Scheme are as under:**

"**Definitions:**

"**Appointed Date**" means opening of business on April 1, 2019 or such other date as the NCLT may direct/allow;

"**Demerged Undertaking**" means the business, undertaking, and properties, of whatsoever nature and kind and wheresoever situated, in each case, forming part of or necessary or advisable for the conduct of, or the activities or operations of, the Power Grids Business as a going concern, including but not limited to, the following:

(a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

(b) all assets, as are movable in nature and which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants) actionable claims, earnest monies, security deposits paid or deemed to have been paid and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/branches/ offices undertaking the Power Grids Business in India or overseas, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees and performance guarantees;

(c) all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, pre-qualifications, eligibility criterion, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, tax deferrals, incentives, exemptions and other benefits (in each case including the benefit of any applications made for the same), relatable to the Power Grids Business, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/issued/given by any Appropriate Authority, organizations or companies necessary for conduct of, or the activities or operations of, the Power Grids Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understandings, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(e) all Intellectual Property (if any) owned by the Transferor which exclusively or predominantly forms part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, any rights of the Transferor to use any Intellectual Property which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, applications (including hardware, software, licenses, source codes, para meterisation and scripts), registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such Intellectual Property rights of whatsoever description and nature which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(f) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(h) the Demerged Liabilities;

(i) the Transferred Employees;

(j) all legal or other proceedings of whatsoever nature that relate to the Power Grids Business (subject to the provisions of Clause 9 and Clause 12 in relation to Tax matters); and

(k) any assets, liabilities, agreements, undertakings, activities, operations or properties that are determined by the Boards of the Transferor and Transferee relating to or forming part of the Power Grids Business or which are necessary for conduct of, or the activities or operations of, the Power Grids Business.

"**Effective Date**" means the last of the dates on which all the conditions and matters referred to in Clause 24 occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall be the Effective Date;

16. **CONSIDERATION FOR DEMERGER**

16.1 Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking from the Transferor to the Transferee in terms of this Scheme, the Transferee shall, without any further application, act, instrument or deed and without any payment by the shareholders, issue and allot equity shares, credited as fully paid-up, to the shareholders of the Transferor, holding fully paid up equity shares in the Transferor and whose names appear in the register of members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Transferor on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner/ratio:

"1 (one) fully paid up equity share of Rs. 2/- (Rupees Two only) each of the Transferee shall be issued and allotted for every 5 (five) fully paid up equity shares of Rs. 2/- (Rupees Two only) each held in the Transferor" ("**Share Entitlement Ratio**")

The shares issued by the Transferee pursuant to this Clause 16 are hereinafter referred to as "New Equity Shares".

16.2 The New Equity Shares shall be subject to the Scheme, the memorandum and articles of association of the Transferee and Applicable Laws and shall rank pari passu with the equity shares of the Transferee.

16.3 If the allotment of shares pursuant to this Clause 16 will result in any shareholders being issued fractional shares, the Board of the Transferee shall, at its absolute discretion, decide to take any or a combination of the following actions:

(a) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/ trustee authorized by the Board of the Transferee in this behalf who shall hold the shares in trust on behalf of the shareholders of the Transferor entitled to fractional entitlements with the express understanding that such person shall sell the shares of the Transferee so allotted on the Stock Exchanges at such time or times and at such price or prices and to such person, as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the shareholders of the Transferor in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person authorized by the Board of the Transferee by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer.

(b) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Transferor and the Transferee.

16.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor, the Board of the Transferor shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of equity shares in the Transferor, after the effectiveness of this Scheme.

16.5 Without prejudice to the generality of Clause 16.1, the Transferor and the Transferee shall, if and to the extent required, apply for and obtain any approvals from concerned Appropriate Authorities and undertake necessary compliance for the issuance and allotment of the New Equity Shares.

16.6 The New Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of the Transferor in dematerialized form, into the account in which shares of the Transferor are held or such other account as is intimated in writing by the shareholders to the Transferor and/or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. All those shareholders who hold shares of the Transferor in physical form shall also have the option to receive the New Equity Shares, as the case may be, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferor and/or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor in physical form 30 (thirty) days before the Record Date, then the Transferee may allot physical shares to such shareholder.

16.7 The New Equity Shares to be issued by the Transferee, pursuant to Clause 16 in respect of any equity shares of the Transferor which are held in abeyance under the provisions of Section 126 of the Act or which the Transferee is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Transferee.

16.8 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee shall stand suitably increased consequent upon the issuance of the New Equity Shares in accordance with this Clause 16. Approval of this Scheme by the equity shareholders of the Transferee shall be deemed to be in due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the New Equity Shares as on the Record Date, as provided in this Scheme.

16.9 The New Equity Shares will be listed and/or admitted to trading on the Stock Exchanges. The Transferee shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Laws or regulations for the Transferee with the formalities of the Stock Exchanges. The New Equity Shares shall remain frozen in the depositories system till listing and trading permission is given by the designated stock exchange. There shall be no change in the shareholding pattern or control in the Transferee between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges, other than as provided in the Scheme.

16.10 The New Equity Shares may not be registered under the United States Securities Act, 1933, as amended (the "Securities Act") and the Transferee may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Transferee may elect to rely upon. In the event the Transferee elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the New Equity Shares of the Transferee for such exemption.

17. **CANCELLATION OF SHARE CAPITAL**

17.1 Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230-232 of the Act, the existing shareholding of the Transferor in the Transferee shall stand cancelled without any further act, instrument or deed immediately following the issuance of the New Equity Shares in accordance with the Scheme.

17.2 The consequent reduction of share capital of the Transferee shall be an integral part of this Scheme and the Transferor and the Transferee shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.

17.3 The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

24. **CONDITIONALITY OF THE SCHEME**

This Scheme is conditional upon and subject to:

(a) the Scheme being approved by the respective requisite majorities of the shareholders and/or creditors (wherever applicable) of the Transferor and the Transferee as required under the Act;

(b) receipt of approvals of the relevant Stock Exchanges where the equity shares of the Transferor are listed and traded, and SEBI, in terms of paragraph 2 of SEBI Scheme Circular read with paragraph I. B (4) and I. C (2) of Annexure I to the SEBI Scheme Circular;

(c) the receipt or waiver (where permissible) of any approvals from third parties mutually agreed by the Transferor and the Transferee as being required for completion of the Demerger;

(d) the Scheme being sanctioned by the NCLT in terms of Sections 230-232 and other relevant provisions of the Act; and

(e) the certified copies of the Sanction Order(s) of NCLT sanctioning this Scheme being filed with the Registrar of Companies by the Transferor and Transferee."

The features set out above being only the salient features of the Scheme, which are subject to details set out in the Scheme, the equity shareholders are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme.

A copy of the proposed Scheme is attached as **Annexure I** to this Explanatory Statement. The Scheme is not prejudicial to the interest of the shareholders and creditors of the Applicant Company.

10. **Documents required to be circulated for the Meeting under Section 232(2) of the Act and SEBI Scheme Circular:**

As required under Section 232(2) of the Act and paragraph 8 of the SEBI Scheme Circular, the following documents are being circulated with this notice and the explanatory statement:

(i) Scheme, enclosed as **Annexure I**;

(ii) Share entitlement ratio reports, enclosed as **Annexures II A, II B and II C**;

(iii) Copy of the Fairness Opinion dated March 5, 2019 issued by ICICI Securities Limited, category I Merchant Banker, Mumbai (SEBI Registration No INM000011179), a SEBI registered merchant banker, to the Applicant Company, providing its opinion on the fairness of the share entitlement ratio, as recommended in the Valuation Reports, enclosed as **Annexure III**;

(iv) Copy of the Observation letters issued by the stock exchanges to Applicant Company, enclosed as **Annexures IV** and **V**;

(v) Complaints reports submitted by the Applicant Company, enclosed as **Annexure VI**;

(vi) Report adopted by the Board pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure VII**;

(vii) Report adopted by the Board of Directors of APPSIL pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure VIII**;

(viii) Pre-Scheme and Post-Scheme shareholding pattern, as applicable enclosed as **Annexure IX**;

(ix) Supplementary unaudited accounting statement of Applicant Company for the three months period ending March 31, 2019, enclosed as **Annexure X**;

(x) Abridged prospectus for APPSIL enclosed as **Annexure XI**; and

(xi) Copies of Form GNL-1 filed by Applicant Company and APPSIL with the Registrar of Companies, Karnataka, enclosed as **Annexure XII;**

Dated at this 3rd day of July 2019

Sd/-

Prof. Dr. R. Venkata Rao
Chairperson appointed for the Meeting

Registered Office
ABB India Limited
21st Floor, World Trade Center, Brigade Gateway,
No. 26/1, Dr. Rajkumar Road, Malleshwaram West,
Bengaluru – 560055, Karnataka

Annexure I

SCHEME OF ARRANGEMENT

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

BETWEEN

ABB INDIA LIMITED

AND

ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART A – GENERAL

PREAMBLE

This scheme of arrangement ("**Scheme**", as more particularly defined hereunder) is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013 between ABB India Limited ("**Transferor**"), a subsidiary of ABB Asea Brown Boveri Limited, a corporation incorporated in Switzerland, and ABB Power Products and Systems India Limited ("**Transferee**") and their respective shareholders and creditors. The Scheme provides *inter alia* for the demerger of the Demerged Undertaking (*as defined below*) of the Transferor to the Transferee ("**Demerger**") and the consequent issuance of equity shares by the Transferee to the shareholders of the Transferor under Sections 230-232 and other applicable provisions of the Act (*as defined below*) and the SEBI Scheme Circular (*as defined below*).

BACKGROUND

(a) The Transferor is a public limited company with corporate identification number L32202KA1949PLC032923 and was incorporated *vide* certificate of incorporation dated December 24, 1949 as 'The Hindustan Electric Company Limited' under the Companies Act, 1913. Thereafter, *vide* fresh certificates of incorporation dated September 24, 1965, October 13, 1989 and April 16, 2003, the name of the Transferor was changed to 'Hindustan Brown Boveri Limited', 'Asea Brown Boveri Limited' and 'ABB Limited' respectively. The name of the Transferor was changed to its current name i.e. 'ABB India Limited' *vide* fresh certificate of incorporation dated June 14, 2013. The certificate for commencement of business was issued to the Transferor on March 2, 1950.

(b) The Transferor was originally incorporated in the State of Maharashtra. Thereafter, *vide* fresh certificate of registration dated November 27, 2003, the registered office of the Transferor was changed to the State of Karnataka. The Transferor currently has its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka. The Transferor offers power and automation technology products to utilities, industries, channel partners, and original equipment manufacturers worldwide, operating through robotics and motion, electrification products, industrial automation and power grids segments. The objects of the Transferor as stated in its memorandum of association include the following:

(i) To carry on the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric

propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc., all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments and to carry out all activities in relation to business of power and automation generally.

(ii) to manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of insulated cables, and wires, rubber insulated wires and cables, cab tyre sheated wires, cables & flexibles flexible cords, cotton or silk braided, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper, rubber or bitumen insulated, lead covered power cables, armoured or non-armoured extra high tension, shielded and belted power cables type H, H.S.L. etc., mining shaft, submarine, and marine power cables, telephone and telegraph cables according to B.S.S. long distance cables, signalling cables, lead covered cables for house installation, accessories for power cables, lead covered cables for house installation, accessories for power cables, alplastable cables with seamless aluminium sheath covered with a second seamless skin of thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or stranded for telephone, telegraph and signalling purposes, aluminium and steel cored aluminium cables for overhead lines, bare copper, and cadmium copper wire, round or grooved for tramways, trolley buses etc. (also suitable for crane operation) bare copper and aluminium bus bars, binders, and rotor bars suitable for dynamo, transformer and switchgear manufacturers, copper and aluminium wires and tapes for lightning conductors, aerials of copper, bronze, phosphor bronze, aluminium and all kinds of cables, wires, conductors and accessories.

(iii) to carry on the business of manufacturing, buying, selling, re-selling, altering, importing, exporting, improving, assembling, distributing, hiring on hire purchase system or otherwise dealing in machinery operated by the use of electricity, steam, motive power or mechanical force or otherwise wires, cables, conductors, insulators of all types, capacities, voltages, designs of high tension and low tension machines as hydro thermal or diesel electric stations, generators, transformers, sub-stations and transformer stations, L.T. & H.T. switchgear, L.T. & H.T. networks, electric locomotives tramways and industrial railways, electric railway lines, convertors and rectification stations for railways, post and industries, electric motors and electric tubes for all industrial and agricultural purposes, wiping plants, accessories and equipment and electric medical equipment, industrial and domestic electric appliances.

(c) The equity shares of the Transferor are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively with BSE Limited, the "**Stock Exchanges**").

(d) The Transferee is a public limited company incorporated under the Act *vide* certificate of incorporation dated February 19, 2019, having its registered office at

21st Floor, World Trade Center, Brigade Gateway, No 26/1, Dr. Rajkumar Road, Malleswaram West, Bengaluru – 560 055, Karnataka. The corporate identification number of the Transferee is U31904KA2019PLC121597. The Transferee is a newly incorporated wholly owned subsidiary of the Transferor with the objects of, *inter alia*, undertaking the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc.; all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments.

(e) This Scheme has been drawn up so that the Demerger of the Demerged Undertaking from the Transferor to the Transferee is compliant with the conditions applicable to a "demerger" under Section 2 (19AA) of the IT Act (*as defined below*) and other applicable provisions of the IT Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with the provisions of the IT Act at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the IT Act shall prevail to the extent of such inconsistency and the Scheme shall be deemed to be modified to the extent determined necessary by the Boards of the Transferor and the Transferee to comply with the IT Act, without any further act or deed of the Transferor or the Transferee. Such modification will however not affect other parts of the Scheme.

RATIONALE FOR THE DEMERGER

(a) The Transferor has been driving industrial change as a pioneering technology leader. The Transferor is now taking fundamental actions to realign its business to focus, simplify and lead in digital industries for enhanced customer value and shareholder returns.

(b) These actions include the separation of the Transferor's portfolio of digital industries from the Transferor's traditional, long gestation, projects led, business of power grids, with requirements that include access to financing, by transfer of the Power Grids Business (*as defined below*) to a demerged legal entity.

(c) The simplification of the Transferor's business model and structure with the implementation of this new organization is expected to provide each business with full operational ownership of products, functions, R&D and territories. These actions are likely to position the Transferor with a leadership role in digital solutions, and evolving technologies such as artificial intelligence in India, while

allowing the Transferee to independently focus on a likely leadership position in the Power Grids Business with its unique and established market dynamics.

(d) With continuous advances in technology driving an unprecedented rate of development, the Transferor's customers' businesses in the country are being profoundly impacted. Indian customers are looking for more complete solutions, combining the right products with leading engineering expertise and domain capability.

(e) The planning of fundamental actions whose objective is to focus, simplify and lead in digital industries is expected to allow the Transferor to more effectively meet customers' needs and capture market opportunities in Indian industries at an inflection point of digital transformation, with an even stronger customer proximity.

(f) The new structure with a demerged self-contained Power Grids Business is likely to help deliberate refocusing onto industrial customers. Focus on digital industries in an era of energy and fourth industrial revolution, needs to be distinguished from the slower cycle, government influenced, financing support enabled large projects of Power Grids Business.

(g) The proposed Demerger is expected to assist the current power grids division to independently pursue the business excellence built over a long period in the power infrastructure with its robust and time tested business model.

(h) In order to effect the segregation of the Power Grids Business from the other businesses of the Transferor, the Transferor proposes to transfer the Power Grids Business to the Transferee by way of Demerger in accordance with Sections 230-232 of the Act and the SEBI Scheme Circular.

(i) In consideration of the Demerger, the shareholders of the Transferor will receive equity shares in the Transferee, which will be listed on the Stock Exchanges. The shares held by the Transferor in the Transferee will be cancelled upon effectiveness of the Scheme.

(j) The Demerger and consequent issue of equity shares by the Transferee are proposed to allow shareholders of the Transferor and Transferee and investors to invest in the distinct key businesses and allow shareholders of the Transferor and Transferee unlock the value of their investments.

This Scheme accordingly provides for the transfer by way of Demerger of the Demerged Undertaking from the Transferor to the Transferee, and the consequent issue of equity shares by the Transferee to the shareholders of the Transferor in accordance with the Share Entitlement Ratio (*as defined below*) and various other matters consequential or integrally connected therewith, including the reorganisation of the share capital of the Transferee, pursuant to Sections 230-232 and other applicable provisions of the Act, the SEBI Scheme Circular and in compliance with the IT Act, including Section 2(19AA) thereof.

PARTS OF THE SCHEME

The Scheme is divided into following parts:

1. **PART A** deals with background of the Transferor and the Transferee, rationale and objective of the Scheme;

2. **PART B** deals with the definitions, interpretation and share capital;

3. **PART C** deals with the Demerger of the Demerged Undertaking of the Transferor on a going concern basis into the Transferee; and

4. **PART D** deals with the general terms and conditions applicable to the Scheme.

PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with or repugnant to the subject or context, the following expressions shall have the meanings respectively assigned against them:

1.1 "**Act**" means the Companies Act, 2013, the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;

1.2 "**Appointed Date**" means opening of business on April 1, 2019 or such other date as the NCLT may direct/ allow;

1.3 "**Applicable Law**" means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, press notes, requirement or any similar form of determination by or decision of any Appropriate Authority, in each case having the force of law, and that is binding or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Board of the Transferor and the Transferee or at any time thereafter including Environmental Laws and Tax Laws;

1.4 "**Appropriate Authority**" means any applicable supra-national, national, central, state, municipal, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, legislative body, departmental or public body or authority, board, branch, tribunal or court or other entity in India or any other country where the Transferor or Transferee conduct their business authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization in India or any other country where the Transferor or Transferee conduct their business to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country where the Transferor or Transferee conduct their business including the Registrar of Companies, Regional Director, Competition Commission of India, Reserve Bank of India, SEBI, Stock Exchanges, National Company Law Tribunal, Tax department including the Central Board of Direct Taxes, Income Tax authorities, Central and State GST Departments and such other sectoral regulators or authorities in India or any other country where the Transferor or Transferee conduct their business as may be applicable;

1.5 "**Board**" means the board of directors of the Transferor and/or Transferee, as the case may be, in office at the relevant time, and, shall include a committee duly constituted and authorized by the directors of the Transferor or the Transferee, as the case may be;

1.6 "**Costs**" means direct losses, damages, liabilities, penalties, fines, costs (including reasonable legal costs) and expenses (including Taxation), in each case of any nature whatsoever;

1.7 "**Demerged Liabilities**" shall have the meaning set out in Clause 7.2;

1.8 "**Demerged Undertaking**" means the business, undertaking, and properties, of whatsoever nature and kind and wheresoever situated, in each case, forming part of or necessary or advisable for the conduct of, or the activities or operations of, the Power Grids Business as a going concern, including but not limited to, the following:

(a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

(b) all assets, as are movable in nature and which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants) actionable claims, earnest monies, security deposits paid or deemed to have been paid and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices undertaking the Power Grids Business in India or overseas, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees and performance guarantees;

(c) all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, pre-qualifications, eligibility criterion, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, tax deferrals, incentives, exemptions and other benefits (in each case including the benefit of any applications made for the same), relatable to the Power Grids Business, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Appropriate Authority, organizations or companies necessary for conduct of, or the activities or operations of, the Power Grids Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understandings, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, lease/ license agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(e) all Intellectual Property (if any) owned by the Transferor which exclusively or predominantly forms part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, any rights of the Transferor to use any Intellectual Property which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, applications (including hardware, software, licenses, source codes, para meterisation and scripts), registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such Intellectual Property rights of whatsoever description and nature

which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(f) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(h) the Demerged Liabilities;

(i) the Transferred Employees;

(j) all legal or other proceedings of whatsoever nature that relate to the Power Grids Business (subject to the provisions of Clause 9 and Clause 12 in relation to Tax matters); and

(k) any assets, liabilities, agreements, undertakings, activities, operations or properties that are determined by the Boards of the Transferor and Transferee relating to or forming part of the Power Grids Business or which are necessary for conduct of, or the activities or operations of, the Power Grids Business.

1.9 "**Effective Date**" means the last of the dates on which all the conditions and matters referred to in Clause 24 occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall be the Effective Date;

1.10 "**Encumbrance**" or to "**Encumber**" means without limitation any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;

1.11 "**Environment**" means all organisms (including humans) and all or any of the following media, namely air (including the air within buildings or other natural or man-made structures above or below ground), water (including surface or ground water) or land;

1.12 "**Environmental Laws**" means all international, European Union, national, state, federal, regional or local laws (including common law, statute law, civil, criminal and administrative law), together with all subordinate legislation, which are in force, relating to all matters relating to the pollution of, or harm to or protection of the Environment;

1.13 "**Estate**" means any interest in land and other immoveable properties;

1.14 "**Funds**" shall have the meaning set out in Clause 8.2;

1.15 "**GST**" means the central tax as defined under the Central Goods and Services Tax Act, 2017, the integrated tax as defined under the Integrated Goods and Services Tax Act, 2017, and the state tax as defined under State Goods and Services Tax statutes;

1.16 "**Intellectual Property**" means:

(a) patents, utility models, rights in inventions, supplementary protection certificates;

(b) rights in information (including know-how, confidential information and trade secrets) and the right to use, and protect the confidentiality of, confidential information;

(c) trade marks, service marks, rights in logos, trade and business names, rights in each of get-up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition and domain names;

(d) copyright, moral rights and related rights, rights in computer software, database rights, rights in designs, and semiconductor topography rights;

(e) any other intellectual property rights; and

(f) all rights or forms of protection, subsisting now or in the future, having equivalent or similar effect to the rights referred to in paragraphs (a) to (e) above,

in each case: (i) anywhere in the world; (ii) whether unregistered or registered (including all applications, rights to apply and rights to claim priority); and (iii) including all divisionals, continuations, continuations-in-part, reissues, extensions, re-examinations and renewals and the right to sue for damages for past and current infringement in respect of any of the same;

1.17 "**IT Act**" means the Income-tax Act, 1961 as may be amended or supplemented from time to time (and any successor provisions or law), including any statutory modifications or reenactments thereof together with all applicable by-laws, rules, regulations, orders, ordinances, directions including circulars and notifications and similar legal enactments, in each case issued under the Income-tax Act, 1961;

1.18 "**Liabilities**" means all liabilities, duties and obligations of every description, whether deriving from contract or under Applicable Law or otherwise, whether present or future, actual or contingent or ascertained or unascertained and whether owed or incurred severally or jointly or as principal or surety along with any Encumbrance thereon;

1.19 "**National Company Law Tribunal**" or "**NCLT**" means the National Company Law Tribunal at Bengaluru having jurisdiction in relation to the Transferor and Transferee and/ or the National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230-232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230-232 of the Act as may be applicable;

1.20 "**New Equity Shares**" shall have the meaning set out in Clause 16.1;

1.21 "**Power Grids Business**" means the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of: (a) power grids automation, (b) power grids integration, (c) high voltage products, and (d) transformers, in each case, carried on by the Transferor;

1.22 "**Record Date**" means a date to be fixed by the Board of the Transferor for the purposes of determining the equity shareholders of the Transferor to whom equity shares of the Transferee would be issued and allotted in accordance with Clause 16;

1.23 "**Registrar of Companies**" means the registrar of companies at Bengaluru, Karnataka;

1.24 "**Retained Business**" means all the undertakings, investments, businesses, activities and operations of the Transferor except those comprised in the Demerged Undertaking and including, for the avoidance of doubt, the Transferor's undertakings, investments, businesses, activities and operations (if any) relating to the EPC substations business and electrical balance of plants business, in each case, as identified by the Boards of the Transferor and the Transferee;

1.25 "**Sanction Order**" means the order of the NCLT sanctioning this Scheme;

1.26 "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

1.27 "**SEBI Scheme Circular**" shall mean circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended) on Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 issued by SEBI;

1.28 "**Securities Act**" shall have the meaning set out in Clause 16.10;

1.29 "**Stock Exchanges**" means the BSE Limited and the National Stock Exchange of India Limited;

1.30 "**Share Entitlement Ratio**" shall have the meaning set out in Clause 16.1;

1.31 "**Tax**" or "**Taxes**" means and include any tax, whether direct or indirect, including income tax (including withholding tax, dividend distribution tax), GST, excise duty, VAT, CST, service tax, octroi, local body tax and customs duty, duties, charges, fees, levies or other similar assessments by or payable to an Appropriate Authority, including in relation to (a) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (b) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof;

1.32 "**Tax Laws**" shall have the meaning set out in Clause 12.1(a);

1.33 "**Transferred Employees**" shall have the meaning set out in Clause 8.1;

1.34 "**Transferor Liabilities**" means:

(a) any Liabilities relating to the Retained Business; and

(b) any Taxes which the Transferor is liable to pay to any Appropriate Authority under Applicable Law which arise exclusively or predominantly out of the activities or operations of the Demerged Undertaking upto the Appointed Date.

2. INTERPRETATION

2.1 References to Clauses, unless otherwise provided, are to clauses of and to this Scheme.

2.2 The headings herein shall not affect the construction of this Scheme.

2.3 Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a

statutory provision shall include any subordinate legislation made from time to time under that provision.

2.4 The singular shall include the plural and vice versa; and references to one gender include all genders.

2.5 Any phrase introduced by the terms "including", "include" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.6 References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

2.7 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other Applicable Laws for the time being in force.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

4.1 The authorized, issued, subscribed and paid up share capital of the Transferor as on December 31, 2018 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
21,25,00,000 equity shares of Rs. 2/- each	42,50,00,000
7,50,000 preference shares of Rs. 100/- each	7,50,00,000
TOTAL	50,00,00,000
Issued, subscribed and paid-up Share Capital*	
21,19,08,375 equity shares of Rs. 2 /- each fully paid up	42,38,16,750
TOTAL	**42,38,16,750**

*The equity shares of the Transferor are listed on the Stock Exchanges.

4.2 The authorized, issued, subscribed and paid up share capital of the Transferee as on February 19, 2019 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
2,50,000 equity shares of Rs. 2/- each	5,00,000
TOTAL	**5,00,000**
Issued, subscribed and paid-up Share Capital	
50,000 equity shares of Rs. 2/- each, fully paid up	1,00,000
TOTAL	**1,00,000**

PART C - TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING FROM THE TRANSFEROR TO THE TRANSFEREE

5. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with Section 2 (19AA) of the IT Act and pursuant to Sections 230-232 of the Act and other Applicable Laws, and pursuant to the Sanction Order, without any further act, instrument or deed, be demerged from the Transferor and stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee as a going concern in the manner set out below.

6. TRANSFER OF ASSETS

6.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with the provisions of this Clause 6 in relation to the mode of transfer and vesting and pursuant to Sections 230-232 of the Act and without any further act or deed, be demerged from the Transferor and be transferred to and vested in or be deemed to have been demerged from the Transferor and transferred to and vested in the Transferee as a going concern without any break or interruptions in the operations thereof so as to become as and from the Appointed Date, the Estate, assets, investments, rights, claims, title, interest and authorities of the Transferee, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.

6.2 Upon the Scheme becoming effective, with effect from the Appointed Date, in respect of such of the assets of the Demerged Undertaking as are movable in nature and/ or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and delivery, including cash and bank balances, units of mutual funds, market instruments and other securities of the Demerged Undertaking, the same shall stand transferred by the Transferor to the Transferee pursuant to the provisions of Sections 230-232 of the Act or be deemed to be transferred by delivery or possession or by endorsement and delivery and without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee subject to the Clauses in this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.

6.3 Without prejudice to the generality of Clause 6.2 but subject to the provisions of Clauses 9 and 12 in relation to Tax, and in respect of movable assets other than those dealt with in Clause 6.2, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/ or customers or any other person, if any, forming part of the Demerged Undertaking, whether recoverable in cash or in kind or for value to be received, bank balances, etc., the same shall stand transferred to and vested in the Transferee without any notice or other intimation to any person in pursuance of the provisions of Sections 230-232 read with other relevant provisions of the Act to the end and intent that the right of the Transferor to recover or realize the same stands transferred to the Transferee, and that appropriate entries shall be passed in their respective books to record the aforesaid

change, without any notice or other intimation to such debtors, depositors or persons as the case may be. The Transferee may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee and be paid or made good or held on account of the Transferee as the person entitled thereto.

6.4 Without prejudice to the generality of the foregoing, all assets, Estate, rights, title, remedies, claims, rights of action, interest and authorities held by the Transferor on the Appointed Date forming part of the Demerged Undertaking, not otherwise specified in Clauses 6.1, 6.2 and 6.3, shall also, without any further act, instrument or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 of the Act.

6.5 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all immovable properties of the Transferor and all the rights, title, interest and claims of the Transferor in any immovable properties including any leasehold/ leave and license/ right of way properties of the Transferor forming part of the Demerged Undertaking, shall, pursuant to Sections 230-232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Transferee on the same terms and conditions.

6.6 All assets, Estate, rights, title, interest and authorities acquired by the Transferor on or after the Appointed Date and prior to the Effective Date forming part of the Demerged Undertaking shall also stand transferred to and vested or be deemed to have been transferred to or vested in the Transferee upon the coming into effect of this Scheme without any further act, instrument or deed.

6.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, all Tax related incentives/holiday benefits, registrations, pre-qualifications, eligibility criterion, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Transferor, and the rights and benefits under the same, in so far as they relate to the Demerged Undertaking and all Intellectual Property rights forming part of the Demerged Undertaking including attached goodwill and all other interests relating to the goods or services forming part of the Demerged Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the Transferor forming part of the Demerged Undertaking shall be transferred to and vested in or deemed to have been transferred to or vested in the Transferee and the concerned licensors and grantors of such statutory and regulatory permissions, environmental approvals and consents, registrations, licenses and consents, shall endorse, where necessary, and record, in accordance with Applicable Law, the Transferee on such statutory and regulatory permissions, environmental approvals and consents, registrations, licenses and consents so as to empower and facilitate the transfer and vesting of the Demerged Undertaking in the Transferee and continuation of operations forming part of the Demerged Undertaking in the Transferee without hindrance and that such

statutory and regulatory permissions, environmental approvals and consents, registrations, licenses and consents shall remain in full force and effect in favour of or against the Transferee, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor, the Transferee had been a party or beneficiary or obligee thereto. The Transferor and the Transferee may execute necessary documentation to give effect to the foregoing, where required.

6.8 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, in order to ensure the smooth transition and sales of products and inventory of the Transferor manufactured and/ or branded and/ or labelled and/ or packed in the name of the Transferor prior to the Effective Date insofar as they relate to the Demerged Undertaking, the Transferee shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and /or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Transferee after the Effective Date.

7. **TRANSFER** OF LIABILITIES AND ENCUMBRANCES

7.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all Demerged Liabilities, whether or not provided in the books of the Transferor shall without any further act, instrument or deed be and stand transferred to the Transferee to the extent that they are outstanding as on the Effective Date and shall thereupon become as and from the Appointed Date (or in case of any Demerged Liability incurred on a date on or after the Appointed Date, with effect from such date) the debts, duties, obligations, and liabilities of the Transferee, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Transferor and the Transferee undertakes to meet, discharge and satisfy to the exclusion of the Transferor such that the Transferor shall in no event be responsible or liable in relation to any such Demerged Liabilities.

7.2 The term "**Demerged Liabilities**" shall mean:

(a) all Liabilities which relate exclusively or predominantly out of the activities or operations of the Power Grids Business;

(b) Liabilities under Tax Laws which arise exclusively or predominantly out of the activities or operations of the Power Grids Business on or after the Appointed Date. Notwithstanding anything contained in Clause 7.2 (a), any Liabilities under Tax Laws which arise exclusively or predominantly out of the activities or operations of the Power Grids Business prior to the Appointed Date will not constitute Demerged Liabilities even where such Liabilities crystalize after the Appointed Date;

(c) the specific loans or borrowings (including debentures, if any), raised, incurred and utilized solely for the Power Grids Business; and

(d) in cases other than those referred to in Clause 7.2 (a) or Clause 7.2 (c), so much of the amounts of general or multipurpose borrowings, if any, of the Transferor, as stand in the same proportion which the value of the assets transferred pursuant to the Scheme bears to the total value of the assets of the Transferor immediately prior to the Appointed Date.

7.3 In so far as the Demerged Liabilities of the Transferor are concerned, such Demerged Liabilities transferred to the Transferee in terms of this Clause 7, shall, without any further act, instrument or deed, become loans and borrowings of the Transferee, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in the Transferee and shall be exercised by or against the Transferee as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the Transferee.

7.4 Where any of the Demerged Liabilities have been partially or fully discharged by the Transferor on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee. All the Demerged Liabilities and obligations incurred by the Transferor for the operations of the Demerged Undertaking on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee and to the extent any Demerged Liabilities are outstanding on the Effective Date, they shall also without any further act, instrument or deed be and stand transferred to the Transferee and shall become the liabilities and obligations of the Transferee.

7.5 The transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Transferee upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

7.6 In so far as the existing Encumbrances in respect of the Demerged Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Demerged Liabilities as transferred to the Transferee pursuant to this Scheme and such Encumbrances shall not relate or attach to any of the other assets of the Transferee. Provided that if any of the assets comprised in the Demerged Undertaking which are transferred to the Transferee pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets.

7.7 In so far as the existing Encumbrances over the assets and other properties of the Transferee or any part thereof which relate to the liabilities and obligations of the Transferee prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking transferred to and vested in the Transferee by virtue of the Scheme.

7.8 If any Encumbrance of the Transferor for the operations of the Demerged Undertaking exists as on the Appointed Date, but has been partially or fully released thereafter by the Transferor on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Transferee upon the coming into effect of the Scheme and all Encumbrances incurred by the Transferor for the operations of the Demerged Undertaking on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee, and such Encumbrances shall not attach to any property of the Transferor.

7.9 Subject to the other provisions of this Scheme, in so far as the assets forming part of the Demerged Undertaking are concerned, the Encumbrances, over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of the Transferor pertaining to the Retained Business shall, as and from the Effective Date, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as Encumbrances in relation to liabilities of the Transferor pertaining to the Retained Business which are not transferred to the Transferee pursuant to the Scheme (and which shall continue with the Transferor).

7.10 In so far as the assets of the Retained Business are concerned, the Encumbrances over such assets, to the extent they relate to any Demerged Liabilities shall, without any further act, instrument or deed be released and discharged from such Encumbrances.

7.11 In so far as the existing Encumbrances in respect of the loans and other liabilities relating to the Retained Business are concerned, such Encumbrances shall, without any further act, instrument or deed be continued with the Transferor only on the assets relating to the Retained Business and the assets forming part of the Demerged Undertaking shall stand released therefrom.

7.12 Without prejudice to the provisions of the foregoing Clauses and upon coming into effect of the Scheme, the Transferor and the Transferee shall enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

7.13 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferor alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Retained Business, and the Transferee shall not have any obligations in respect of the debts, liabilities, duties and obligations of the Retained Business. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee alone shall be liable to perform all obligations in respect of Demerged Liabilities, which have been transferred to it in terms of this Scheme, and the Transferor shall not have any obligations in respect of such Demerged Liabilities, save as agreed in writing between the Transferor and the Transferee.

7.14 Any reference in any security documents or arrangements (to which the Transferor is a party) to the Transferor and its assets and properties, which relate to the

Demerged Undertaking, shall be construed as a reference to the Transferee and the assets and properties of the Transferor transferred to the Transferee by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor and the Transferee may execute any instruments or documents or do all acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies to give formal effect to these provisions, if required.

7.15 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.

7.16 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Demerged Liabilities transferred to the Transferee as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

7.17 All cheques and other negotiable instruments, pay orders, electronic fund transfers (such as NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor after the Effective Date, in so far as the same forms part of the Demerged Undertaking, shall be deemed to have been in the name of the Transferee and credited to the account of the Transferee, if presented by the Transferee or received through electronic transfers and shall be accepted by the relevant bankers and credited to the accounts of the Transferee. Similarly, the banker of the Transferee shall honour all cheques/ electronic fund transfer instructions issued by the Transferor (in relation to the Demerged Undertaking for payment after the Effective Date. If required, the bankers of the Transferor and/ or the Transferee shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Transferor by the Transferee in relation to the Demerged Undertaking for such time as may be determined to be necessary by the Transferee for presentation and deposit of cheques, pay order and electronic transfers that have been issued/ made in the name of the Transferor.

7.18 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee in terms of Section 180 (1) (c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Demerged Liabilities transferred by Transferor to the Transferee pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Transferee.

7.19 The interests of all the unsecured creditors of the Transferor in connection with the Demerged Undertaking and Transferee remain unaffected by this Scheme as the assets of the Transferee upon the effectiveness of the Scheme will be more than its Liabilities and as such sufficient to discharge such Liabilities.

8. EMPLOYEES

8.1 On the Scheme becoming effective, all employees of the Transferor who are either: (i) primarily engaged in the Power Grids Business; or (ii) jointly identified by the

Board of the Transferor and the Board of the Transferee as being necessary for the proper functioning of the Power Grids Business including its future development, and, in each case, who are in service of the Transferor on the date immediately preceding the Effective Date ("**Transferred Employees**") shall be deemed to have become employees of the Transferee with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee shall not be less favourable than those applicable to them with reference to their employment in the Transferor on the date immediately preceding the Effective Date. Services of the Transferred Employees shall be taken into account from the date of their respective appointment with the Transferor for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor shall also be taken into account. The services of the Transferred Employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor.

8.2 It is expressly provided that, upon the Scheme coming into effect , insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Transferor (including Transferred Employees) are concerned (collectively referred to as the "**Funds**"), such proportion of the investments made in the Funds which are referable to the Transferred Employees shall be transferred to the similar funds created by the Transferee and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Transferee, maintained as separate funds by the Transferee. In the event that the Transferee does not have its own funds in respect of any of the above, the Transferee may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds or discharge such liabilities of the Transferor, in relation to Funds to be maintained for the Transferred Employees, until such time that the Transferee creates its own funds, at which time the Funds and the investments and contributions pertaining to the Transferred Employees shall be transferred to the funds created by the Transferee.

8.3 Further to the transfer of Funds as set out in Clause 8.2, for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Transferor in relation to the Power Grids Business on and from the Appointed Date in relation to such Fund or Funds shall become those of the Transferee. It is clarified that the services of the Transferred Employees will be treated as having been continuous for the purpose of the Funds.

8.4 In relation to those Transferred Employees who are not covered under the provident fund trust of the Transferor, and for whom the Transferor is making contributions to the government provident fund, the Transferee shall be deemed to be substituted for the Transferor on and from the Appointed Date for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in

accordance with the provisions of such fund, bye laws, etc. in respect of such Transferred Employees.

8.5 In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the Transferred Employees, the Transferee shall be deemed to be substituted for the Transferor on and from the Appointed Date for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of the Transferred Employees.

8.6 In so far as the existing benefits or funds created by the Transferor for the employees of the Retained Business are concerned, the same shall continue and the Transferor shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and such benefits or funds, if any, shall be held *inter alia* for the benefit of the employees of the Retained Business, and the Transferee shall have no liability in respect thereof.

9. LEGAL AND OTHER PROCEEDINGS

9.1 Upon the coming into effect of this Scheme, subject to the provisions of Clause 9.2 in relation to Tax proceedings, if any suit, appeal, legal or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any Applicable Law, by or against the Transferor in relation to the Demerged Undertaking is pending on the Effective Date or is instituted any time thereafter, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other proceedings shall be continued, prosecuted and enforced by or against the Transferee, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Transferor in relation to Demerged Undertaking as if this Scheme had not been made.

9.2 The provisions of this Clause 9.2 shall apply to any suit, appeal, legal or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any Tax Law relating to the Demerged Undertaking. Any such proceedings in relation to the Demerged Undertaking and pertaining to the period prior to the Appointed Date, whether pending on the Effective Date or instituted at any time thereafter, shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but shall be continued, prosecuted and enforced by or against the Transferor. Any such proceedings in relation to the Demerged Undertaking and pertaining to the period on or after the Appointed Date shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, and shall be continued, prosecuted and enforced by or against the Transferee, as the case may be, after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor in relation to Demerged Undertaking as if this Scheme had not been made.

9.3 If any proceedings are taken against the Transferor in respect of the matters referred to in this Clause 9, which is the responsibility of the Transferee, the Transferor shall

defend the same in accordance with the advice of the Transferee and at the cost of the Transferee, and the Transferee shall reimburse and indemnify the Transferor against all liabilities and obligations incurred by the Transferor in respect thereof. If any proceedings are taken against the Transferee in respect of the matters referred to in this Clause 9, which is the responsibility of the Transferor, the Transferee shall defend the same in accordance with the advice of the Transferor and at the cost of the Transferor, and the Transferor shall reimburse and indemnify the Transferee against all liabilities and obligations incurred by the Transferee in respect thereof.

9.4 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor in relation to the Demerged Undertaking and which are the responsibility of the Transferee under this Clause 9, the Transferee shall be made party thereto and shall prosecute or defend such proceedings in co-operation with the Transferor and any payment and expenses made thereto shall be the liability of the Transferee. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferee in relation to the Retained Business and which are the responsibility of the Transferor under this Clause 9, the Transferor shall be made party thereto and shall prosecute or defend such proceedings in co-operation with the Transferee and any payment and expenses made thereto shall be the liability of the Transferor.

9.5 The Transferee undertakes to have all legal or other proceedings initiated by or against the Transferor and which is the responsibility of the Transferee under this Clause 9 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee to the exclusion of the Transferor. The Transferor undertakes to have all legal or other proceedings initiated by or against the Transferee and which are the responsibility of the Transferor under this Clause 9 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferor to the exclusion of the Transferee. Both the Transferor and the Transferee shall make relevant applications in that behalf.

10. CONTRACTS, DEEDS, ETC.

10.1 Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature forming part of the Demerged Undertaking to which the Transferor is a party or to the benefit of which the Transferor is eligible and which is subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of the Transferee and may be enforced by or against the Transferee as fully and effectually as if, instead of the Transferor, the Transferee had been a party thereto.

10.2 The Transferee may at its sole discretion enter into and/or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The Transferee shall be deemed to be authorised to execute any such deeds, writings or confirmations on

behalf of the Transferor for the Demerged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

10.3 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Transferee may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Transferee shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor to be carried out or performed.

10.4 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, pre-qualifications, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor in relation to the Demerged Undertaking, including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to the Transferee as if the same were originally given by, issued to or executed in favour of the Transferee, and the Transferee shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee. The Transferee shall make necessary applications/ file relevant forms to any Appropriate Authority as may be necessary in this behalf.

10.5 Without prejudice to the aforesaid, it is clarified that if any assets (Estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Transferor owns or to which the Transferor is a party to, cannot be transferred to the Transferee for any reason whatsoever:

(a) the Transferor shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee, insofar as it is permissible so to do, till such time as their transfer is effected;

(b) the Transferor and Transferee shall, however, between themselves, treat each other as if that all contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking had been transferred to the Transferee on the Effective Date; and

(c) the Transferee shall perform or assist the Transferor in performing all of the obligations under those contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date.

11. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the Scheme, the transfer of the Demerged Undertaking to the Transferee and the continuance of legal proceedings by or against the Transferee shall not affect any transaction or proceedings already concluded by the Transferor for the Power Grids Business, to the end and intent that the Transferee accepts and adopts all acts, deeds and things done and executed by the Transferor for the Power Grids Business in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Transferee.

12. TAXATION MATTERS

12.1 Notwithstanding anything to the contrary contained in this Scheme, upon effectiveness of this Scheme:

(a) the Transferor shall be liable for any Tax payable to Appropriate Authorities under Applicable Laws relating to Tax ("**Tax Laws**") and shall be entitled to any refunds of Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Transferor and whether such payments or receipts are due or realised on, before or after the Appointed Date; and

(b) the Transferee shall be liable for any Tax payable to Appropriate Authorities under Tax Laws and shall be entitled to refunds of any Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Transferor and whether such payments or receipts are due or realised on, before or after the Appointed Date.

12.2 Upon effectiveness of this Scheme, all Taxes paid or payable by the Transferor in respect of the operations and/ or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Transferee. Upon effectiveness of this Scheme, the payment of any Tax, whether by way of deduction at source (including foreign tax credit), advance tax, self assessment tax, minimum alternate tax, or otherwise howsoever, by the Transferor in respect of the activities or operations of the Demerged Undertaking on and from the Appointed Date, shall be deemed to have been paid by the Transferee, and, shall, in all proceedings, be dealt with accordingly.

12.3 Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking prior to the Appointed Date shall belong to and be received by the Transferor, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking on or after the Appointed Date shall belong to and be received by the Transferee, even if the prescribed time limits for claiming such refunds or credits

have lapsed.

12.4 Any Tax incentives, subsidies, exemptions, special status, tax benefits (including but not limited to export incentives, credits/ incentives in respect of income tax, sales tax, value added tax, GST, turnover tax, excise duty, service tax etc.), duty drawbacks, and other benefits, credits, exemptions or privileges enjoyed, granted by an Appropriate Authority or availed of by the Transferor shall, without any further act or deed, in so far as they relate to or are available for the operation and activities of the Demerged Undertaking on or after the Appointed Date, vest with and be available to Transferee on the same terms and conditions, as if the same had been allotted and / or granted and / or sanctioned and / or allowed to the Transferee.

12.5 Each of the Transferee and the Transferor shall be entitled to file/ revise its income-tax returns, TDS certificates, TDS returns, GST returns and other statutory returns, notwithstanding that the period for filing / revising such returns may have lapsed and to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Transferor and the Transferee and shall have the right to claim refunds, advance Tax credits, input Tax credit, credits of all Taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.

12.6 Any actions taken by the Transferor to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date upto the Effective Date shall be considered as adequate compliance by the Transferor with such requirements under Tax Laws and such actions shall be deemed to constitute adequate compliance by the Transferee with the relevant obligations under such Tax Laws.

12.7 Any unutilized GST credits pertaining to the Demerged Undertaking and available in the electronic input GST credit ledger of Transferor maintained by GSTN or as per Transferor's books of accounts, whichever is lower, shall, notwithstanding anything contained in this Clause 12, be transferred by the Transferor to the Transferee in accordance with Applicable Laws. The Transferor and Transferee shall take such actions as may be necessary under Applicable Law to effect such transfer. GST credits and GST Liability pertaining to the activities or operations of the Demerged Undertaking between the Appointed Date and the Effective Date shall, notwithstanding anything contained in this Clause 12 be dealt with in accordance with Applicable Laws.

12.8 All Liabilities under Tax Laws which relate exclusively or predominantly to the activities or operations of the Power Grids Business prior to the Appointed Date shall remain the Liabilities of the Transferor after the Effective Date, regardless of whether such Liabilities arise on or after the Appointed Date. All Liabilities under Tax Laws which relate exclusively or predominantly to the activities or operations of the Power Grids Business on or after the Appointed Date shall become the Liabilities of the Transferee upon effectiveness of the Scheme.

12.9 If the Transferor makes any payment to discharge any Liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Power Grids Business on or after the Appointed Date, the Transferee shall promptly pay or reimburse the Transferor for such payment. If the Transferee makes any payment

to discharge any Liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Power Grids Business prior to the Appointed Date, the Transferor shall promptly pay or reimburse the Transferee for such payment.

13. DIVIDEND

13.1 The Transferor shall be entitled to declare and pay dividends, whether interim or final, to their shareholders in respect of the accounting period prior to the Appointed Date.

13.2 It is clarified that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not confer or be deemed to confer any right on any shareholder of the Transferor to demand or claim any dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Transferor and subject to the approval, if required, of the shareholders of the Transferor.

14. VALIDITY OF EXISTING RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions, if any, of the Transferor relating to the Demerged Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Transferee, and shall constitute the aggregate of the said limits in the Transferee.

15. RETAINED BUSINESS AND TRANSFEROR LIABILITIES

15.1 The Retained Business and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor, and the Transferee shall have no right, claim or obligation in relation to the Retained Business and nothing in this Scheme shall operate to transfer any of the Retained Business to the Transferee or to make the Transferee liable for any of the Transferor Liabilities.

15.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor under any statute, whether relating to the period prior to, on or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Retained Business or the Transferor Liabilities (including those relating to any property, right, power, liability, obligation or duty of the Transferor in respect of the Retained Business or the Transferor Liabilities and any income tax related Liabilities) shall be continued and enforced by or against the Transferor even after the Effective Date.

15.3 With effect from the Appointed Date and up to and including the Effective Date:

(a) the Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the Retained Business for and on its own behalf;

(b) all profits accruing to the Transferor or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Retained Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor; and

(c) all assets and properties acquired by the Transferor in relation to the Retained Business on and after the Appointed Date shall belong to and continue to remain vested in the Transferor.

16. CONSIDERATION FOR DEMERGER

16.1 Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking from the Transferor to the Transferee in terms of this Scheme, the Transferee shall, without any further application, act, instrument or deed and without any payment by the shareholders, issue and allot equity shares, credited as fully paid-up, to the shareholders of the Transferor, holding fully paid up equity shares in the Transferor and whose names appear in the register of members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Transferor on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner/ratio:

*"1 (one) fully paid up equity share of Rs. 2/- (Rupees Two only) each of the Transferee shall be issued and allotted for every 5 (five) fully paid up equity shares of Rs. 2/- (Rupees Two only) each held in the Transferor" ("**Share Entitlement Ratio**")*

The shares issued by the Transferee pursuant to this Clause 16 are hereinafter referred to as "**New Equity Shares**".

16.2 The New Equity Shares shall be subject to the Scheme, the memorandum and articles of association of the Transferee and Applicable Laws and shall rank *pari passu* with the equity shares of the Transferee.

16.3 If the allotment of shares pursuant to this Clause 16 will result in any shareholders being issued fractional shares, the Board of the Transferee shall, at its absolute discretion, decide to take any or a combination of the following actions:

(a) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/ trustee authorized by the Board of the Transferee in this behalf who shall hold the shares in trust on behalf of the shareholders of the Transferor entitled to fractional entitlements with the express understanding that such person shall sell the shares of the Transferee so allotted on the Stock Exchanges at such time or times and at such price or prices and to such person, as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses

as applicable, to the shareholders of the Transferor in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person authorized by the Board of the Transferee by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer.

(b) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Transferor and the Transferee.

16.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor, the Board of the Transferor shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of equity shares in the Transferor, after the effectiveness of this Scheme.

16.5 Without prejudice to the generality of Clause 16.1, the Transferor and the Transferee shall, if and to the extent required, apply for and obtain any approvals from concerned Appropriate Authorities and undertake necessary compliance for the issuance and allotment of the New Equity Shares.

16.6 The New Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of the Transferor in dematerialized form, into the account in which shares of the Transferor are held or such other account as is intimated in writing by the shareholders to the Transferor and/ or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. All those shareholders who hold shares of the Transferor in physical form shall also have the option to receive the New Equity Shares, as the case may be, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferor and/ or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor in physical form 30 (thirty) days before the Record Date, then the Transferee may allot physical shares to such shareholder.

16.7 The New Equity Shares to be issued by the Transferee, pursuant to Clause 16 in respect of any equity shares of the Transferor which are held in abeyance under the provisions of Section 126 of the Act or which the Transferee is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Transferee.

16.8 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee shall stand suitably increased consequent upon the issuance of the New Equity Shares in accordance with this Clause 16. Approval of this Scheme by the equity shareholders of the Transferee shall be deemed to be in due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue

and allotment of the New Equity Shares as on the Record Date, as provided in this Scheme.

16.9 The New Equity Shares will be listed and/ or admitted to trading on the Stock Exchanges. The Transferee shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the Applicable Laws or regulations for the Transferee with the formalities of the Stock Exchanges. The New Equity Shares shall remain frozen in the depositories system till listing and trading permission is given by the designated stock exchange. There shall be no change in the shareholding pattern or control in the Transferee between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges, other than as provided in the Scheme.

16.10 The New Equity Shares may not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and the Transferee may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Transferee may elect to rely upon. In the event the Transferee elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the New Equity Shares of the Transferee for such exemption.

17. CANCELLATION OF SHARE CAPITAL

17.1 Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230-232 of the Act, the existing shareholding of the Transferor in the Transferee shall stand cancelled without any further act, instrument or deed immediately following the issuance of the New Equity Shares in accordance with the Scheme.

17.2 The consequent reduction of share capital of the Transferee shall be an integral part of this Scheme and the Transferor and the Transferee shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.

17.3 The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

18. ACCOUNTING TREATMENT

18.1 **In the books of the Transferor**

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

(a) Upon coming into effect of this Scheme, the transfer of the Demerged Undertaking shall be accounted for in the books of the Transferor in accordance with the applicable accounting standards prescribed under Section 133 of the Act and/or as per generally accepted accounting principles.

(b) The Transferor, as on the Appointed Date shall reduce the carrying value of assets and liabilities as well as the reserves pertaining to the Demerged Undertaking at its carrying values. The reserves of the Demerged Undertaking will be computed based on the net assets of the Demerged Undertaking being transferred in proportion to the net assets of the Retained Business.

(c) The book values, as on the Appointed Date, of net assets (assets minus liabilities) and reserves as computed in Clause 18.1 (b) above comprised in the Demerged Undertaking transferred to the Transferee shall be accounted for as follows:

(i) In case the assets of the Demerged Undertaking transferred exceeds the liabilities and the reserves of the Demerged Undertaking so transferred, then such excess will be debited to the securities premium account and balance, if any will be debited to the capital reserve account.

(ii) In case the liabilities and the reserves of the Demerged Undertaking exceeds the assets of the Demerged Undertaking so transferred, then such excess will be credited to the capital reserve account.

(d) The adjustment/utilization of the securities premium account, if any, as stated in Clause 18.1 (c) above and reduction thereof will be effected as a part of the Scheme, in accordance with Section 52 of the Act and the Sanction Order shall be deemed to be also the order under the applicable provisions of the Act, for confirming the utilization / reduction of the securities premium account. The reduction in the securities premium account of the Transferor, shall be effected as an integral part of the Scheme, without any further act, instrument or deed on the part of the Transferor or its shareholders and without any approval or acknowledgment of any third party and provisions of Section 66 of the Act shall not require to be followed for such reduction. It is expressly clarified that the consent of the shareholders and the creditors of the Transferor to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction of the securities premium account of the Transferor.

18.2 **In the books of the Transferee**

(a) Upon coming into effect of this Scheme, transfer of the Demerged Undertaking shall be accounted for in the books of the Transferee using the pooling of interests method in accordance with Appendix C to Ind AS 103 – Business combinations of entities under common control.

(b) Upon coming into effect of this Scheme, the Transferee shall record the assets and liabilities as well as the reserves, of the Demerged Undertaking vested in it pursuant to this Scheme, at their respective carrying values of the Transferor. The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee in the same form in which they appeared in the financial statements of the Transferor.

(c) The Transferee shall credit to its share capital, and record the New Equity Shares issued and allotted by it pursuant to Clause 16 of the Scheme at par value.

(d) The excess, if any, between the carrying value of assets, liabilities and reserve balances under Clause 18.2 (b) above transferred to the Transferee and the consideration discharged by way of the New Equity Shares issued as per Clause 18.2 (c) above to the shareholders of the Transferor in lieu of the Demerged Undertaking shall be recorded as capital reserve in the books of the Transferee.

(e) The deficit, if any, between the carrying value of assets, liabilities and reserves under Clause 18.2 (b) above transferred to the Transferee and the consideration discharged by way of the New Equity Shares issued as per Clause 18.2 (c) above to the shareholders of the Transferor in lieu of the Demerged Undertaking shall be recorded as 'Amalgamation Adjustment Deficit Account' in the books of the Transferee which is in the nature of debit balance in profit and loss account.

(f) In case of any difference in the accounting policy between the Transferee and the Demerged Undertaking of the Transferor, the impact of the same will be quantified and adjusted in the capital reserve / Amalgamation Adjustment Deficit Account as applicable of the Transferee to ensure that the financial statement of the Transferee reflect the financial position on the basis of consistent accounting policy.

19. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

19.1 From the Appointed Date, the Transferor shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its Estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for the Transferee.

19.2 The Transferor undertakes that from the Appointed Date until the Effective Date, it will preserve and carry on the business of the Demerged Undertaking with diligence and in the ordinary course. From the Appointed Date until the Effective Date, the Transferor shall not, except with the prior consent of the Transferee, materially alter the terms of employment of the Transferred Employees or terminate any Transferred Employees except in accordance with their respective employment contracts.

19.3 Without prejudice to the generality of Clause 19.2, neither the Transferor nor the Transferee shall take, enter into, perform or undertake, as applicable: (i) any material decision in relation to its business and affairs and operations as forming part of, in case of the Transferor, the Power Grids Business and in case of the Transferee, to its entire business; and (ii) any agreement or transaction, which is not in the ordinary course of business as carried on by it as on March 5, 2019, without the prior written consent of the Board of the other company or except as mutually agreed between the Transferor and the Transferee in writing.

19.4 All the profits or income accruing or arising to the Transferor and expenditure or losses arising or incurred or suffered by the Transferor which form part of Demerged Undertaking, for the period commencing from the Appointed Date shall, for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Transferee.

19.5 Upon the Scheme becoming effective and with effect from the Appointed Date, any of the rights, powers, authorities or privileges attached, related or forming part of the Demerged Undertaking, exercised by the Transferor shall be deemed to have been exercised by the Transferor for and on behalf of, and in trust for the Transferee. Similarly, any of the obligations, duties and commitments attached, related or forming part of the Demerged Undertaking that have been undertaken or discharged by the Transferor shall be deemed to have been undertaken/ discharged for and on behalf of the Transferee.

19.6 The Transferor and the Transferee shall be entitled, pending sanction of the Scheme, to apply to all Appropriate Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions, which may be required in connection with this Scheme.

19.7 With effect from the Effective Date, the Transferee shall commence and carry on and shall be authorized to carry on the Power Grids Business which was earlier carried on by the Transferor.

PART D - GENERAL TERMS AND CONDITIONS

20. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE

20.1 **Increase of authorised share capital**

(a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferee shall stand suitably increased, without any further act, instrument or deed on the part of the Transferee for the purpose of issue of shares as per Clause 16, as on the Effective Date such that upon the effectiveness of the Scheme, the authorised share capital of the Transferee shall be Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 2/- (Rupees Two only) each. Clause 5 of the memorandum of association of the Transferee shall be altered as set out below, upon coming into effect of the Scheme and without any further act or deed:

"5. The authorized share capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 2/- (Rupees Two only) each."

(b) As an integral part of the Scheme, and upon coming into effect of the Scheme, the articles of association of the Transferee shall stand amended and reinstated to replicate the articles of a listed company and in such form as the Board of the Transferee may determine.

(c) Pursuant to this Scheme, the Transferee shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.

(d) The amendments pursuant to this Clause 20 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Transferee, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum and articles of association of the Transferee and shall not be required to pass separate resolutions under the applicable provisions of the Act.

(e) It is hereby clarified that for the purposes of this Clause 20, the consent of the shareholders of the Transferee to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or increase in authorised share capital of the Transferee, and no further resolution under Section 13, Section 14, Section 42, Section 61, Section 62 and Section 64 of the Act or any other applicable provisions of the Act, would be required to be separately passed.

20.2 **Issue and allotment of securities**

(a) Where any securities are to be allotted to the heirs, executors, administrators, legal representatives or other successors in title, as the case may be, of any security holders, the concerned heirs, executors, administrators, legal representatives or other successors in title shall be obliged to produce evidence of title, satisfactory to the Board of the Transferee as a condition to such allotment.

(b) In the event of there being any pending share transfer, whether lodged or outstanding, of any member of the Transferor, the Board of the Transferor shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transferor or the transferee of equity shares in the Transferor after the Scheme becomes effective. The Boards of the Transferor and Transferee, jointly, shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee, on account of difficulties faced in the transaction period.

21. CHANGE IN CAPITAL STRUCTURE OF THE TRANSFEROR/ TRANSFEREE

21.1 Without prejudice to the generality of this Scheme, during the period between the date of approval of the Scheme by the respective Boards and up to and including the date of allotment of the New Equity Shares pursuant to this Scheme, neither the Transferor nor the Transferee shall make any change in its capital structure, whether by way of increase (including by issue of equity shares on a rights basis, issue of bonus shares) decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner which may, in any way,

affect the issuance of the New Equity Shares as per Clause 16, except under any of the following circumstances:

(a) by mutual written consent of the respective Boards of the Transferor and the Transferee; or

(b) as may be expressly permitted under this Scheme.

21.2 In the event of any such change in share capital of the Transferor or the Transferee before the issuance of the New Equity Shares to the shareholders of the Transferor pursuant to Clause 16, the Share Entitlement Ratio shall be appropriately adjusted to take into account the effect of such issuance or corporate actions.

22. APPLICATION TO NCLT

22.1 The Transferor and the Transferee shall, without undue delay, make all necessary applications to SEBI/ Stock Exchanges in connection with the Scheme and make applications and petitions to NCLT for sanctioning this Scheme under Sections 230-232 of the Act and other applicable provisions of the Act, including seeking such orders for convening and holding or alternatively, dispensing with requirements for convening and holding meetings of the shareholders and/ or creditors of the Transferor and Transferee as may be directed by the NCLT and obtain such other approvals, as required by Applicable Law.

22.2 The Transferor and the Transferee shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Transferor and the Transferee, which the Transferor and the Transferee may be required to effect the transactions contemplated under the Scheme or carry on the Power Grids Business, in any case subject to the terms as may be mutually agreed between the Transferor and the Transferee.

23. MODIFICATION OR AMENDMENTS TO THE SCHEME

23.1 Any modifications/ amendments or additions/ deletions to the Scheme may only be made with the approval of the respective Boards of the Transferor and the Transferee. The aforesaid powers of the Transferor and the Transferee to give effect to the modification/ amendments to the Scheme may be exercised subject to approval of NCLT or any other Appropriate Authorities as may be required under Applicable Law.

23.2 The Transferor and the Transferee agree that if, at any time, either of the NCLT or any Appropriate Authority directs or requires any modification or amendment of the Scheme, such modification or amendment shall not, to the extent it adversely affects the interests of the Transferor and /or the Transferee, be binding on the Transferor and the Transferee, as the case may be, except where the prior written consent of the affected party i.e. the Transferor and /or the Transferee, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor and the Transferee, as the case may be.

23.3 If the Transferor and the Transferee are desirous of making any material modification to the provisions of the Scheme after receipt of approval of SEBI to the Scheme, such modification shall be subject to approval of SEBI of such modification or any further modifications as may be required by SEBI.

23.4 Either the Transferor or the Transferee (acting through its Board) may, in their full and absolute discretion, jointly and as mutually agreed in writing, modify, vary or withdraw this Scheme at any time prior to the Effective Date in any manner, provided that any modification to or variation or withdrawal of the Scheme by the Transferor and the Transferee, after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT.

23.5 The Transferor and the Transferee (through their respective Boards) shall determine jointly whether any asset, liability, employee, legal or other proceedings forms part of the Power Grids Business or not, on the basis of any evidence that they may deem relevant for this purpose. The determination by the Boards of the Transferor and the Transferee in this regard shall be final.

24. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to:

(a) the Scheme being approved by the respective requisite majorities of the shareholders and/ or creditors (wherever applicable) of the Transferor and the Transferee as required under the Act;

(b) receipt of approvals of the relevant Stock Exchanges where the equity shares of the Transferor are listed and traded, and SEBI, in terms of paragraph 2 of SEBI Scheme Circular read with paragraph I. B (4) and I. C (2) of Annexure I to the SEBI Scheme Circular;

(c) the receipt or waiver (where permissible) of any approvals from third parties mutually agreed by the Transferor and the Transferee as being required for completion of the Demerger;

(d) the Scheme being sanctioned by the NCLT in terms of Sections 230-232 and other relevant provisions of the Act; and

(e) the certified copies of the Sanction Order(s) of NCLT sanctioning this Scheme being filed with the Registrar of Companies by the Transferor and Transferee.

25. EFFECT OF NON-RECEIPT OF APPROVALS

25.1 If any of the sanctions and approvals referred to in Clause 24 are not obtained (or to the extent permissible under Applicable Law, waived) and/ or the Scheme is not sanctioned by NCLT or the Sanction Order(s) is not passed by the NCLT as aforesaid on or prior to December 31, 2019, or within such further period as may be agreed upon between the respective Boards of the Transferor and Transferee, the Boards of the Transferor and the Transferee may opt to terminate this Scheme and then in such cases, the Scheme shall stand terminated, revoked, cancelled and be

null and void and of no effect and the Transferor and the Transferee, if required, may file appropriate proceedings before the NCLT in this respect.

25.2 Upon the termination, revocation or cancellation of this Scheme as set out in Clause 25.1, no rights and liabilities shall accrue to or be incurred by the Transferor and the Transferee or their shareholders or creditors or employees or any other person. In such case, each of the Transferor and the Transferee shall bear its own costs and expenses or as may be otherwise mutually agreed.

26. REMOVAL OF DIFFICULTIES

The Transferor and the Transferee through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may:

(a) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and

(b) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

27. RESIDUAL PROVISIONS

Upon this Scheme becoming effective, the accounts of the Transferor and the Transferee, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

28. RETRANSFER IN CERTAIN CASES

28.1 Subject to Clause 10.5, no part of the Demerged Undertaking shall be retained by the Transferor after the Effective Date pursuant to the Demerger. If any part of the Demerged Undertaking is inadvertently retained by the Transferor after the Effective Date, the Transferor shall take such actions as may be reasonably required to ensure that such part of the Demerged Undertaking is transferred to the Transferee promptly and for no further consideration. The Transferor shall bear all costs and expenses as may be required to be incurred by the Transferor, subject to the prior written consent of the Transferee, for giving effect to this Clause.

28.2 No part of the Retained Business shall be transferred to the Transferee after the Effective Date pursuant to the Demerger. If any part of the Retained Business is inadvertently held by the Transferee after the Effective Date, the Transferee shall take such actions as may be reasonably required to ensure that such part of the Retained Business is transferred back to the Transferor, promptly and for no

consideration. The Transferee shall bear all costs and expenses as may be incurred by each of the Transferor or the Transferee for giving effect to this Clause.

28.3 If the Transferor realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall immediately make payment of such amounts to the Transferee. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Undertaking and shall be paid to the Transferee for no additional consideration. If the Transferee realizes any amounts after the Effective Date that pertains to the Retained Business, the Transferee shall immediately pay such amounts to the Transferor.

29. COSTS, CHARGES & EXPENSES

The Transferor and the Transferee shall bear all costs, charges and expenses, in relation to or in connection with or incidental to this Scheme including, without limitation, stamp duty, registration charges and other transfer charges in relation to the Scheme and the matters contemplated herein in equal proportion.

Annexure II A

S R B C & CO LLP
Chartered Accountants

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29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

5 March 2019

MARCH 5, 2019

To
The Board of Directors
ABB India Limited
World Trade Centre, 21st Floor Brigade Gateway,
No. 26/1, Dr. Rajkumar Road,
Malleshwaram West, Bengaluru – 560055.

Re: Recommendation of share entitlement ratio for the proposed Demerger of Power Grids division of ABB India Limited into ABB Power Products and Systems India Limited

Dear Sirs/Madam,

We refer to the engagement letter ("EL") dated 23 February 2019 wherein ABB India Limited ("ABB India" or the "Transferor Company" or the "Client") has requested S R B C & CO LLP (hereinafter referred to as "SRB" or "we" or "us") to recommend a share entitlement ratio for the proposed demerger of Power Grids division ("PG division") of ABB India to ABB Power Products and Systems India Limited ("ABB Power" or the "Transferee Company").

ABB India and ABB Power shall hereinafter be collectively referred to as "Companies".

SCOPE AND PURPOSE OF THIS REPORT

ABB India is engaged in the business of power and automation technology products to utilities, industries, channel partners and Original Equipment Manufacturers worldwide. It was incorporated in 1949 and is based in Bengaluru, India. The equity shares of the Transferor Company have been listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Transferor Company was formerly known as ABB Limited and changed its name to ABB India Limited in June 2013. For the calendar year ended 31 December 2018 (CY18), ABB India reported revenues of INR 108,619 million (mn) and profit after tax (PAT) of INR 5,109 mn.

ABB India operates through four divisions and business is primarily classified into the following divisions:

1. The Power Grids division ("PG division") is engaged in the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of: (a) power grids automation, (b) power grids integration, (c) high voltage products, and (d) transformers, in each case, carried on by the Transferor Company.
2. The Robotics and Motion segment manufactures motors, generators, drives, and robotics, which provides power, motion and control for a range of automation applications.

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3. The Electrification Products segment provides a range of digital and connected low and medium-voltage products, including EV infrastructure products, solar inverters, modular substations, distribution automation products, power protection products, wiring accessories, switchgears, enclosures, cables, and sensing and control products.
4. The Industrial Automation division offers products, systems, and services, such as turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance, and industry specific products for the optimization of the productivity of industrial processes in oil and gas, power, chemicals and pharmaceuticals, pulp and paper, metals and minerals, marine, and turbocharging industries.

"Hereinafter, all the business divisions other than PG division are referred to as Non-PG division"

ABB Power Products and Systems India Limited ("ABB Power") was incorporated on 19 February 2019 as a wholly owned subsidiary of the ABB India. The issued and subscribed equity share capital of ABB Power as at 5 March 2019 was INR 0.1 mn consisting of 0.05 mn equity shares of face value of INR 2 each fully paid up. We have been represented that ABB Power was incorporated specifically for acquiring the PG division on a going concern basis.

We understand that the Management of the Companies intend to demerge the PG division of ABB India into ABB Power ("Proposed Demerger") with effect from 01 April 2019 (Opening of Business Hours) or such other date as the NCLT may direct/ allow ("Appointed Date"). This is sought to be achieved by a Composite Scheme of Arrangement (hereinafter referred to as the "Scheme") under Sections 230-232 and other applicable provisions of the Companies Act, 2013. Under the Scheme, the shareholders of ABB India would be issued equity shares of ABB Power as a consideration for the Proposed Demerger. The equity shares held by ABB India and its nominees in ABB Power shall stand cancelled following the issuance of shares of Transferee Company to the shareholders of the Transferor Company.

As informed to us, ABB India will file the Scheme before the honourable Bengaluru Bench of the National Company Law Tribunal (NCLT) as per the requirement of the Company Act, 2013, for the approval of the Scheme.

In this connection, we have been requested to recommend the share entitlement ratio for the Proposed Demerger ("Purpose").

This Report is our deliverable in respect of the same.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report has been issued only for the purpose of facilitating the demerger of PG division of ABB India into ABB Power and should not be used for any other purpose.



SOURCES OF INFORMATION

The following information, as provided by the Management, verbally or in written form have, inter-alia, been used in the Report:

1) With respect to ABB India
   - Audited financial statements (including balance sheets and statement of profit and loss along with notes to account) for the years CY16 and CY17
   - Audited financial statement (Balance sheet and statement of profit and loss) for the year CY18
   - Details of issued share capital along with the shareholding pattern as at 5 March 2019

2) With respect to ABB Power
   - Details of issued share capital as at 5 March 2019

3) With respect to PG and Non-PG division
   - Historical carved-out financial information (including balance sheets and statement of profit and loss along excluding notes to account) of PG and Non-PG division for the years CY16 to CY18.

4) Draft scheme of Arrangement for the Demerger of PG division into ABB Power dated 04 March 2019

In addition to the above, we have also obtained further explanations and information considered reasonably necessary for our exercise, from the Management of ABB India ("Management").

It may be mentioned that the Management of the Companies have been provided opportunity to review factual information in our draft Report as part of our standard practice to make sure that factual inaccuracies/ omissions/ etc. are avoided in our final Report.



S R B C & CO LLP
Charted Accountants

STATEMENT OF LIMITING CONDITIONS

- Provision of share entitlement ratio recommendation and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- The recommendation contained herein is not intended to represent the share entitlement ratio at any time other than Record Date as referred to in Scheme.
- This report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report and (iii) are based on the balance sheet as at 31 December 2018 of ABB India. The Management has represented that the business activity of PG division of ABB India Limited ("ABB India") has been carried out in the normal and ordinary course between 31 December 2018 and the report date and that no material adverse change has occurred in their respective operations and financial position between 31 December 2018 and the report date.
- The recommendation(s) rendered in this Report only represent our views(s) based upon information furnished by the Companies (or their representatives) and publicly available information and the said recommendation(s) shall be considered to be in the nature of non-binding advice. In addition, we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Demerger.
- The determination of share entitlement ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single share entitlement ratio. While we have provided our recommendation of the share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the share distribution ratio of the equity shares of ABB India. The final responsibility for the determination of the share entitlement ratio at which the proposed demerger shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the proposed Demerger and input of other advisors.
- In accordance with our terms of our engagement and in accordance with the customary approach adopted in such exercises, we have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express any opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements.
- Also, with respect to explanations and information sought from ABB India, we have been given to understand by the ABB India that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of ABB India.
- The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that they will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues



of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited financial statements of the Companies.

- We are not advisors with respect to legal, tax and regulatory matters for the Demerger.
- This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This Report is restricted to recommendation of share entitlement ratio only. Its suitability and applicability of any other use has not been checked by us.
- No investigation of ABB India's claim to title of assets has been made for the purpose of this report and the ABB India's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- We owe responsibility to the Transferor Company only which has appointed us under the terms of our agreement and nobody else. We do not accept any liability to any third party in relation to the issuance of this Report. The fee for the Engagement is not contingent upon the results reported.
- This Report is subject to the Laws of India.
- Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than for submission to NCLT, other regulatory authorities and for inspection by shareholders in connection with the Proposed Demerger including the proposed Scheme, without our prior written consent.

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EQUITY SHARE CAPITAL OF THE COMPANIES

ABB India Limited

The issued and subscribed equity share capital of ABB India as at 5 March 2019 is INR 423.8 mn consisting of 211.9 mn equity shares of face value of INR 2 each fully paid up. The shareholding pattern is as follows:

Equity shareholding pattern of ABB India as at 5 March 2019

Shareholder	Number of shares	Holding
ABB Asea Brown Boveri Limited – the holding company	158,931,281	75.0%
Public shareholders	52,977,094	25.0%
Total	**211,908,375**	**100.0%**

Source: Management

We further understand from the Management that ABB Asea Brown Boveri Limited is part of ABB group.

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by ABB India as at the date of issue of this Report, which would impact the number of equity shares of ABB India. Further, the Management has confirmed that there will be no change in the shareholding pattern of ABB India on account of allotment / issue of any shares till the demerger becomes effective.

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ABB Power Products and Systems India Limited

ABB Power was incorporated on 19 February 2019 as a wholly owned subsidiary of the ABB India. The authorised share capital of this company is INR 0.5 mn consisting of 250,000 Equity Shares of INR 2 per share. The issued, subscribed and paid-up share capital of ABB Power as at 5 March 2019 comprised of equity share capital of INR 0.1 mn consisting of 0.05 mn equity shares of INR 2 each fully paid up. The shareholding pattern is as follows:

Equity shareholding pattern of ABB Power as at 5 March 2019

Shareholder	Number of Shares	Percentage Holding
ABB India Limited	49,994	99.99%
Nominees of ABB India Limited	6	0.01%
Total	**50,000**	**100.00%**

Source: Management

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by ABB Power as of the date of issue of this Report, which would impact the number of equity shares of ABB Power. Further, the Management has confirmed that there would be no change in the shareholding pattern of ABB Power on account of allotment/ issue/ transfer of any share/ stock options/ warrants/ security/ convertible instruments till the demerger becomes effective.

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FAIR BASIS OF DEMERGER

We understand that, as part of the Scheme, PG division of ABB India is proposed to be demerged into ABB Power. It can be seen that ABB Power is not engaged in any operations and ABB India holds 100% shares of ABB Power. The Scheme provides for suitable increase of authorized share capital to issue shares to shareholders of ABB India. Once the Scheme is implemented, all the shareholders of ABB India would also become the shareholders of ABB Power, and their shareholding in ABB Power would mirror their shareholding in ABB India. The effect of the demerger is that each shareholder of ABB India becomes the owner of shares in two companies instead of one company either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme.

Based on the above provision in the Scheme, the percentage holding of a shareholder in ABB (post the demerger) and in ABB Power would remain unchanged from the proportion of capital held by such shareholder in ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme).

Given the above context, any entitlement ratio can be considered fair for the above demerger including the entitlement ratio proposed below.

Basis of Demerger

In arriving at the share entitlement ratio, we have considered the internationally accepted approaches to valuation. Of the three internationally accepted approaches to valuation, namely Income approach, Market approach and Asset approach, the Asset approach (Net Asset Value method) is the most appropriate for arriving at share entitlement ratio in demerger, being primarily used for determining the capital structure of the resulting and demerged entities. Hence, the NAV method has been considered here.

The ratio as arrived by NAV method has been suitably modified to avoid/reduce fractional holding as much as possible.

Net Asset Value Ratio

Particulars	PG division	Non-PG division	ABB India
NAV (Based on Balance Sheet as at 31 December 2018) (₹ mn)	6,794.9	33,278.2	40,073.1
% of ABB India	17.0%	83.0%	100.0%
Number of shares (mn)			211.9

Note: Management has informed us that there were no material changes in the balance sheet position between 31 December 2018 and 5 March 2019.

Considering that, under the demerger, shareholders will be issued shares for, and not in exchange of their shareholding in ABB India, an entitlement ratio based on NAV would be 1:4.9. However, as this would lead to significant fractional holdings, we have rounded up to 1:5.



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Charted Accountants

CONCLUSION

In the light of the above and on a consideration of all the relevant factors and circumstances, we recommend a ratio of **1 (One)** equity shares of INR 2 each fully paid up of ABB Power for, not in exchange of but in addition to, every **5 (Five)** equity shares of ABB India of INR 2 fully paid up.

It should be noted that we have examined the share entitlement ratio for the Proposed Demerger and not examined any other matter including economic rationale for the demerger per se or accounting, legal or tax matters involved in the Proposed Demerger.

Yours faithfully,
S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/ E300003

Ravi Bansal
Partner
Membership No: 049365
Place: Dubai
Date: 5 March 2019

SRBC & COLLP
Charted Accountants

Annexure A: Valuation of PG division as on 31 December 2018 as per NAV method

Net Asset Value of PG division as on 31 December 2018

Currency: INR mn	Dec 18	Dec 18
Net block of fixed assets		4,039.0
Goodwill		318.0
Current assets		
Inventories	4,193.6	
Sundry debtors	13,999.5	
Cash and bank balances	-	
Loans and advances	131.6	
Other current assets	5,405.1	
	23,729.9	
Current liabilities & provisions		
Trade payables	11,805.8	
Current liabilities	7,861.3	
Provisions	1,560.3	
	21,227.4	
Net current assets (NCA)		2,502.5
Borrowings		64.6
Net equity value		**6,794.9**

Source: Management
Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



S R B C & CO LLP
Charted Accountants

Annexure B: Valuation of Non-PG division of ABB India as on 31 December 2018 as per NAV method

Net Asset Value of Non-PG division as on 31 December 2018

Currency: INR mn	Dec 18	Dec 18
Net block of fixed assets		9,615.8
Goodwill		146.2
Investments		1.6
Current assets		
Inventories	9,278.4	
Sundry debtors	16,868.8	
Cash and bank balances	14,750.7	
Loans and advances	262.6	
Other current assets	10,672.7	
	51,833.2	
Current liabilities & provisions		
Trade payables	18,744.9	
Current liabilities	8,019.2	
Provisions	2,683.9	
	29,448.0	
Net current assets (NCA)		22,385.2
Deferred tax asset		1,149.6
Borrowings		20.3
Net equity value		**33,278.2**

Source: Management
Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.

SRBC & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

SRBC&COLLP
Charted Accountants

Annexure C: Valuation of ABB India as on 31 December 2018 as per NAV method

Net Asset Value of ABB India as on 31 December 2018

Currency: INR mn	Dec 18	Dec 18
Net block of fixed assets		13,654.8
Goodwill		464.2
Investments		1.6
Current assets		
Inventories	13,472.0	
Sundry debtors	30,868.4	
Cash and bank balances	14,750.7	
Loans and advances	394.2	
Other current assets	16,077.8	
	75,563.1	
Current liabilities & provisions		
Trade payables	30,550.7	
Current liabilities	15,880.4	
Provisions	4,244.2	
	50,675.4	
Net current assets (NCA)		24,887.7
Deferred tax asset		1,149.6
Borrowings		84.9
Net equity value		**40,073.1**

Source: Management
Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.

SRBC & COLLP MUMBAI CHARTERED ACCOUNTANTS

Annexure II B

B. B. & Associates
Chartered Accountants

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Tel: +91-11-27 393 393

5 MARCH 2019

March 4, 2019

The Board of Directors
ABB India Limited
World Trade Centre, 21st Floor Brigade Gateway,
No. 26/1, Dr. Rajkumar Road,
Malleshwaram West, Bengaluru – 560055.

Re: Recommendation on share entitlement of the shareholders' of ABB India Limited pursuant to the Scheme of Arrangement (hereinafter referred as 'Demerger Scheme') of its Power Grids ('PG') division into ABB Power Products and Systems India Limited

Dear Sir/Madam,

We refer to the engagement letter ("EL") dated February 25, 2019 whereby the management of ABB India Limited ("ABB India" or the "Demerged Company" or the "Client") has appointed B. B. & Associates (hereinafter referred to as "BBA", "we" or "us") to recommend the share entitlement ratio for the proposed transaction involving demerger of PG division (as described in the report in para 3) of ABB India to ABB Power Products and Systems India Limited ("ABB Power" or the "Resulting Company").

BBA has been hereafter referred to as 'Valuer' or 'we' in the Share Entitlement Ratio Report ('Report').

1. Purpose of this report:

ABB India has proposed to demerge its PG division into ABB Power. It has been proposed that ABB Power shall issue equity shares to the equity shareholders of ABB India in consideration of receipt of PG division from ABB India.

The purpose of this report is to recommend the share entitlement for the shareholders' of ABB India, pursuant to the proposed demerger of its PG division into ABB Power.

This Report is subject to the caveats, limitations and disclaimers detailed hereinafter.

B.B. & Associates M. No. 511341 Chartered Accountants

2. Background of the Companies

ABB India Limited

ABB India was incorporated as a limited liability company on December 24, 1949 with the Registrar of Companies, Bangalore, Karnataka. The Corporate Identification Number of the ABB India is L32202KA1949PLC032923. Its registered office is situated at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bangalore, Karnataka - 560055. The present directors of the companies are as under:

Name	DIN/PAN	Designation
Renu Sud Karnad	00008064	Director
Darius Erach Udwadia	00009755	Director
Nasser Mukhtar Munjee	00010180	Director
Tarak Bhadresh Mehta	06995639	Director
Sanjeev Sharma	07362344	Managing Director
Jean Christophe Georges Deslarzes	08064621	Director

ABB India is engaged in the business of providing power systems and automation technology products to utilities, industries, channel partners and Original Equipment Manufacturers ('OEMs') worldwide. The business of ABB India can be classified as under:

a. **Power Grids Business**: ABB India is engaged in the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of power Grids automation, power Grids integration, high voltage products and transformers etc. This business is herein referred as Power Grids Division ('PG Division'); and

b. **Other Businesses:** ABB India is also engaged in the business of (i) manufacturing of motors, generators, drives and robotics ('Robotics and Motion Business'); (ii) designing and manufacturing of electrification products such as EV infrastructure products, solar inverters, modular substations, distribution automation products, power protection products, wiring accessories, switchgears, enclosures, cables, and sensing and control products ('Electrification Products Business'); (iii) providing control systems, measurement products, life cycle services, turnkey engineering services, outsourced maintenance services, and industry specific products for the optimization of the productivity of industrial processes in oil and gas, power, chemicals and pharmaceuticals, pulp and paper, metals and minerals, marine, and turbocharging industries ('Industrial Automation'). These businesses are collectively referred as 'Non-PG division'.

B. B. & Associates M. No. 51631 Chartered Accountants

For the calendar year ended 31 December 2018, ABB India has reported revenues of Rs 108,619 million (mn).

The equity shares of ABB India are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The capital structure of ABB India is as under:

Particulars	No. of shares	Amount (in Rs)
Issued, subscribed and paid up share capital		
- Equity Shares of face value Rs 2 each	211,908,375	423,816,750
Total →		**423,816,750**

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by ABB India as at the date of issue of this Report, which would impact the number of equity shares of ABB India. Further, the Management has confirmed that there will be no change in the shareholding pattern of ABB India on account of allotment/ issue of any shares till the demerger becomes effective.

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B. B. & Associates

Chartered Accountants

ABB Power Products and Systems India Limited

ABB Power was incorporated on February 19, 2019 with the Registrar of Companies, Bangalore, Karnataka. The Corporate Identification Number of ABB Power is U31904KA2019PLC121597. The registered office of ABB Power is situated at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bangalore, Karnataka - 560055. The present directors of ABB Power are as under:

Name	DIN/PAN	Designation
Mr. Gururaj Bhujangarao	00134583	Director
Sridhar Krishnaswamy Tyagavalli	06960804	Director
Sanjeev Sharma	07362344	Director

ABB Power is incorporated to acquire PG division of ABB India in the proposed Demerger.

The capital structure of ABB Power is as under:

Particulars	No. of shares	Amount (in Rs)
Issued, subscribed and paid up share capital		
- Equity Shares of face value Rs 2 each	50,000	100,000
Total →		**100,000**

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3. Proposed Transaction

We understand that the management of the ABB India and ABB Power agrees to demerge PG division of ABB India into ABB Power ("Proposed Demerger") with effect from April 1, 2019 or such other date as the NCLT may direct ("Appointed Date"). This is sought to be achieved by a Composite Scheme of Arrangement (hereinafter referred to as the "Demerger Scheme") under Sections 230-232 and other applicable provisions of the Companies Act, 2013. Under the Scheme, the shareholders of ABB India would be issued equity shares of ABB Power as a consideration for the Proposed Demerger.

As informed to us, ABB India will file the Demerger Scheme before the honourable Bengaluru Bench of the National Company Law Tribunal ('NCLT') as per the requirement of the Company Act, 2013, for the approval of the Scheme.

4. Source of Information

In connection with this exercise, we have used the following information received from the management, and/or gathered from public domain:

1. Shareholding pattern of ABB India as at March 4, 2019;
2. Information on business of ABB India provided by the management;
3. Audited financial statement (Profit and loss account and Balance sheet statement along with notes to account) for the years ended December 2016 and December 2017;
4. Audited financial statement (Profit and loss account and Balance sheet statement) for the year ended December 2018;
5. Historical carved-out financial information (Profit and loss account and Balance sheet statement excluding notes to account) of PG division for the years ended December 2016, December 2017 and December 2018;
6. Draft scheme of Arrangement for the Demerger of PG division into ABB Power;
7. Shareholding pattern of ABB Power as at March 4, 2019;
8. In addition to the above, we have also obtained such other explanations and information which were considered relevant for the purpose of our analysis.



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5. Caveats, Limitations and Disclaimers

This report, its contents and the results herein (i) are specific to the purpose of recommendation(s) as per the terms of engagement; (ii) are specific to the recommendation date; and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the information furnished by the ABB India (or their representatives) and publicly available information. The said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not to be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of Share Entitlement Ratio is not a science. The conclusion arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the proposed transaction shall take place will be with the Board of Directors of ABB India and ABB Power who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.

We assume that ABB India and ABB Power fully comply with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that these companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has not given consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited financial statements of the Companies.

This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

This Report is restricted to recommendation of fair share entitlement ratio only. Its suitability and applicability of any other use has not been checked by us.

We owe responsibility to only the Board of Directors of ABB India and ABB Power under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way

from fraudulent acts, misrepresentatives or wilful default on part of the companies, their directors, employees or agents. We do not accept any liability to any third party in relation to the issuance of this Report.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than for submission to NCLT, other regulatory authorities and for inspection by shareholders in connection with the Proposed Demerger including the proposed Scheme, without our prior written consent.

Provision of share entitlement ratio recommendation and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent the share entitlement ratio at any time other than March 4, 2019.



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6. Procedures Adopted in Recommending Share Entitlement Ratio

In connection with this exercise, we have adopted the following procedure in recommendation of share entitlement ratio:

- Discussion with ABB India to:
  - Understand the business and fundamental factors that affect its income-generating capability including strengths, weakness, opportunity and threat analysis and historical financial performance of the Power Grids Division
  -

- Undertook Industry Analysis:
  - Research publicly available market data that may impact the share entitlement ratio; and
  - Other publicly available information.

- Analysis of information.

7. Recommendation of Share Entitlement Ratio

From the discussions with the management and from proposed Demerger Scheme to be filed with the authorities, we have observed as under:

a) ABB Power is the wholly owned subsidiary of ABB India;
b) upon the draft scheme becoming effective, shareholders of ABB India would be entitled to shares in ABB Power in the same proportion in which they own shares in ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme);
c) upon the draft scheme becoming effective, the beneficial economic interest of the shareholders of ABB India in the paid-up equity share capital of ABB Power would be the same as it is in the paid-up equity share capital of ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme);
d) The equity shares held by ABB India and its nominees in ABB Power will be cancelled upon the draft scheme becoming effective.
e) The determination of share entitlement ratio would not impact the ultimate value for the shareholders of ABB India and the proposed demerger of the PG division of ABB India into ABB Power will be value neutral to ABB India's shareholders (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme).



Therefore, the determination of share entitlement ratio in the instant case is at best an internal arrangement between ABB India, its shareholders and ABB Power and a detailed valuation of the companies to determine the share entitlement ratio would not be relevant in the present case.

In such a situation, we may use the ratios of Net Asset Value ("NAV") of PG division and Non-PG division for computing share entitlement ratio. Further, the ratio may be adjusted to avoid/minimise any fractional holding. We have computed the net assets value ratio as under:

Net Asset Value Ratio

Particulars	PG division	Non-PG division	ABB India
NAV (based on Balance Sheet as at 31 December 2018) (Rs in million)	6,794.9	33,278.2	40,073.1
% NAV	17.0%	83.0%	100.0%
Number of shares (mn)	211.9		

Note: The management of ABB India has represented us that there were no material changes in the balance sheet position between 31 December 2018 and 4 March 2019.

Based on the aforesaid discussion, considering that all shareholders of ABB India are and will, upon demerger, become shareholders of ABB Power, holding beneficial economic interest in the same proportion as they hold in ABB India except in the case of shareholders who would have fractional entitlement, ABB Power may consider issuing one equity share of ABB Power against 4.90 shares held in ABB India. However, to avoid fractional holdings, we recommend that 1 (one) fully paid up equity share of face value of Rs 2/- each of ABB Power should be issued for each every 5 (five) fully paid up equity shares of face value of Rs 2/- each held in ABB India. It is re-emphasized that economic interest of the shareholders is not impacted even when share of ABB Power is issued in the ratio of 5:1, instead of 4.9:1.

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8. Justification of Recommended Share Entitlement Ratio

The recommended share entitlement ratio will not impact the proportionate interest owned by shareholders of ABB India in the net book value of the assets of ABB India and ABB Power.

Pre-demerger

The net book value of the assets owned by a shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) can be computed as under:

Particulars	ABB India (pre-demerger)
Net Asset Value (as on 31 December 2018) (in Rs millions) (refer annexure 1)	40,073.08
Number of shares (in millions)	211.91
Net Asset Value per share (in Rs)	189.11

Therefore, the shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) owns interest in the net assets value of Rs 189.11.

Post-demerger

The net book value of the assets owned by a shareholder holding one equity share of Rs 2 of ABB India (post demerger) and that owned by a shareholder holding 1 equity share of Rs 2 of ABB Power can be computed as under:

Particulars	Non-PG (post demerger)	ABB Power (post demerger)
Net Asset Value (as on 31 December 2018) (in Rs millions) (refer annexure 2 & 3)	33,278.15	6,794.86
Number of shares (in millions)	211.91	42.38
Net Asset Value per share (in Rs)	157.04	160.33



B. B. & Associates

Chartered Accountants

A shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) shall hold (I) one equity share of Rs 2 each of ABB India; and (ii) 0.2 share of Rs 2 each of ABB Power, in view of recommended share entitlement ratio.

Accordingly, the shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) would continue to own net assets value of Rs 189.11 computed as under:

Company	Amount
Net Asset Value of one equity share of ABB India Limited (Post demerger)	157.04
Net Asset Value of 0.2 equity share of ABB Power Products and Systems India Limited (Post demerger)	32.07
Total	**189.11**

Accordingly, it is evident that aforesaid share entitlement ratio is fair to each of the shareholders of ABB India.

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B. B. & Associates

Chartered Accountants

9. Conclusion

Based on the foregoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, pursuant to demerger of PG division of ABB India into ABB Power, we recommend the following share entitlement ratio for consideration by ABB Power to the shareholders of ABB India:

*"1 **(One)** equity share of INR 2 each fully paid up of ABB Power for, not in exchange of but in addition to, every **5 (five)** equity shares of INR 2 fully paid up held in ABB India"*

For **B.B. & Associates**
Chartered Accountants
Firm Registration No: 023670N





CA Balwan Bansal
IBBI Registration No: IBBI/RV/05/2018/10200
ICAI Membership No: 511341

Place: New Delhi
Date: March 4, 2019

B. B. & Associates

Chartered Accountants

Annexure 1: Valuation of ABB India as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	13,655
Goodwill	464
Investments	2
Deferred tax asset	1,150
Current assets	
Inventories	13,472
Sundry debtors	30,868
Cash and bank balances	14,751
Loans and advances	394
Other current assets	16,078
	75,563
Less: Current liabilities & provisions	
Trade payables	30,551
Current liabilities	15,880
Provisions	4,244
	50,675
Borrowings	85
Net equity value	**40,073**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



B. B. & Associates

Chartered Accountants

Annexure 2: Valuation of Non-PG division of ABB India as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	9,616
Goodwill	146
Investments	2
Deferred tax asset	1,150
Current assets	
Inventories	9,278
Sundry debtors	16,869
Cash and bank balances	14,751
Loans and advances	263
Other current assets	10,673
	51,833
Less: Current liabilities & provisions	
Trade payables	18,745
Current liabilities	8,019
Provisions	2,684
	29,448
Borrowings	20
Net equity value	**33,278**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



B. B. & Associates

Chartered Accountants

Annexure 3: Valuation of PG division as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	4,039
Goodwill	318
Current assets	
Inventories	4,194
Sundry debtors	14,000
Cash and bank balances	-
Loans and advances	132
Other current assets	5,405
	23,730
Less: Current liabilities & provisions	
Trade payables	11,806
Current liabilities	7,861
Provisions	1,560
	21,227
Borrowings	65
Net equity value	**6,795**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



Annexure II C

B. B. & Associates
Chartered Accountants

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March 4, 2019

The Board of Directors
ABB Power Products and Systems India Limited
World Trade Centre, 21st Floor Brigade Gateway,
No. 26/1, Dr. Rajkumar Road,
Malleshwaram West, Bengaluru – 560055.

Re: Recommendation on share entitlement of the shareholders' of ABB India Limited pursuant to the Scheme of Arrangement (hereinafter referred as 'Demerger Scheme') of its Power Grids ('PG') division into ABB Power Products and Systems India Limited

Dear Sir/Madam,

We refer to the engagement letter ("EL") dated February 25, 2019 whereby the management of ABB India Limited ("ABB India" or the "Demerged Company" or the "Client") has appointed B. B. & Associates (hereinafter referred to as "BBA", "we" or "us") to recommend the share entitlement ratio for the proposed transaction involving demerger of PG division (as described in the report in para 3) of ABB India to ABB Power Products and Systems India Limited ("ABB Power" or the "Resulting Company").

BBA has been hereafter referred to as 'Valuer' or 'we' in the Share Entitlement Ratio Report ('Report').

1. Purpose of this report:

ABB India has proposed to demerge its PG division into ABB Power. It has been proposed that ABB Power shall issue equity shares to the equity shareholders of ABB India in consideration of receipt of PG division from ABB India.

The purpose of this report is to recommend the share entitlement for the shareholders' of ABB India, pursuant to the proposed demerger of its PG division into ABB Power.

This Report is subject to the caveats, limitations and disclaimers detailed hereinafter.

B.B. & Associates ★ M. No. 511341 ★ Chartered Accountants

2. Background of the Companies

ABB India Limited

ABB India was incorporated as a limited liability company on December 24, 1949 with the Registrar of Companies, Bangalore, Karnataka. The Corporate Identification Number of the ABB India is L32202KA1949PLC032923. Its registered office is situated at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bangalore, Karnataka - 560055. The present directors of the companies are as under:

Name	DIN/PAN	Designation
Renu Sud Karnad	00008064	Director
Darius Erach Udwadia	00009755	Director
Nasser Mukhtar Munjee	00010180	Director
Tarak Bhadresh Mehta	06995639	Director
Sanjeev Sharma	07362344	Managing Director
Jean Christophe Georges Deslarzes	08064621	Director

ABB India is engaged in the business of providing power systems and automation technology products to utilities, industries, channel partners and Original Equipment Manufacturers ('OEMs') worldwide. The business of ABB India can be classified as under:

a. **Power Grids Business**: ABB India is engaged in the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of power Grids automation, power Grids integration, high voltage products and transformers etc. This business is herein referred as Power Grids Division ('PG Division'); and

b. **Other Businesses:** ABB India is also engaged in the business of (i) manufacturing of motors, generators, drives and robotics ('Robotics and Motion Business'); (ii) designing and manufacturing of electrification products such as EV infrastructure products, solar inverters, modular substations, distribution automation products, power protection products, wiring accessories, switchgears, enclosures, cables, and sensing and control products ('Electrification Products Business'); (iii) providing control systems, measurement products, life cycle services, turnkey engineering services, outsourced maintenance services, and industry specific products for the optimization of the productivity of industrial processes in oil and gas, power, chemicals and pharmaceuticals, pulp and paper, metals and minerals, marine, and turbocharging industries ('Industrial Automation'). These businesses are collectively referred as 'Non-PG division'.

B. B. & Associates
M. No. 511341
Chartered Accountants

For the calendar year ended 31 December 2018, ABB India has reported revenues of Rs 108,619 million (mn).

The equity shares of ABB India are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The capital structure of ABB India is as under:

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Total →		**423,816,750**

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by ABB India as at the date of issue of this Report, which would impact the number of equity shares of ABB India. Further, the Management has confirmed that there will be no change in the shareholding pattern of ABB India on account of allotment/ issue of any shares till the demerger becomes effective.

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B. B. & Associates

Chartered Accountants

ABB Power Products and Systems India Limited

ABB Power was incorporated on February 19, 2019 with the Registrar of Companies, Bangalore, Karnataka. The Corporate Identification Number of ABB Power is U31904KA2019PLC121597. The registered office of ABB Power is situated at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bangalore, Karnataka - 560055. The present directors of ABB Power are as under:

Name	DIN/PAN	Designation
Mr. Gururaj Bhujangarao	00134583	Director
Sridhar Krishnaswamy Tyagavalli	06960804	Director
Sanjeev Sharma	07362344	Director

ABB Power is incorporated to acquire PG division of ABB India in the proposed Demerger.

The capital structure of ABB Power is as under:

Particulars	No. of shares	Amount (in Rs)
Issued, subscribed and paid up share capital		
- Equity Shares of face value Rs 2 each	50,000	100,000
Total →		**100,000**

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B.B. & Associates M. No. 511341 Chartered Accountants

3. Proposed Transaction

We understand that the management of the ABB India and ABB Power agrees to demerge PG division of ABB India into ABB Power ("Proposed Demerger") with effect from April 1, 2019 or such other date as the NCLT may direct ("Appointed Date"). This is sought to be achieved by a Composite Scheme of Arrangement (hereinafter referred to as the "Demerger Scheme") under Sections 230-232 and other applicable provisions of the Companies Act, 2013. Under the Scheme, the shareholders of ABB India would be issued equity shares of ABB Power as a consideration for the Proposed Demerger.

As informed to us, ABB India will file the Demerger Scheme before the honourable Bengaluru Bench of the National Company Law Tribunal ('NCLT') as per the requirement of the Company Act, 2013, for the approval of the Scheme.

4. Source of Information

In connection with this exercise, we have used the following information received from the management, and/or gathered from public domain:

1. Shareholding pattern of ABB India as at March 4, 2019;
2. Information on business of ABB India provided by the management;
3. Audited financial statement (Profit and loss account and Balance sheet statement along with notes to account) for the years ended December 2016 and December 2017;
4. Audited financial statement (Profit and loss account and Balance sheet statement) for the year ended December 2018;
5. Historical carved-out financial information (Profit and loss account and Balance sheet statement excluding notes to account) of PG division for the years ended December 2016, December 2017 and December 2018;
6. Draft scheme of Arrangement for the Demerger of PG division into ABB Power;
7. Shareholding pattern of ABB Power as at March 4, 2019;
8. In addition to the above, we have also obtained such other explanations and information which were considered relevant for the purpose of our analysis.



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5. Caveats, Limitations and Disclaimers

This report, its contents and the results herein (i) are specific to the purpose of recommendation(s) as per the terms of engagement; (ii) are specific to the recommendation date; and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the information furnished by the ABB India (or their representatives) and publicly available information. The said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not to be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of Share Entitlement Ratio is not a science. The conclusion arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the proposed transaction shall take place will be with the Board of Directors of ABB India and ABB Power who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.

We assume that ABB India and ABB Power fully comply with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that these companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has not given consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited financial statements of the Companies.

This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

This Report is restricted to recommendation of fair share entitlement ratio only. Its suitability and applicability of any other use has not been checked by us.

We owe responsibility to only the Board of Directors of ABB India and ABB Power under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way



from fraudulent acts, misrepresentatives or wilful default on part of the companies, their directors, employees or agents. We do not accept any liability to any third party in relation to the issuance of this Report.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than for submission to NCLT, other regulatory authorities and for inspection by shareholders in connection with the Proposed Demerger including the proposed Scheme, without our prior written consent.

Provision of share entitlement ratio recommendation and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent the share entitlement ratio at any time other than March 4, 2019.



(This space has been left blank intentionally)

6. Procedures Adopted in Recommending Share Entitlement Ratio

In connection with this exercise, we have adopted the following procedure in recommendation of share entitlement ratio:

- Discussion with ABB India to:
  - Understand the business and fundamental factors that affect its income-generating capability including strengths, weakness, opportunity and threat analysis and historical financial performance of the Power Grids Division
  -

- Undertook Industry Analysis:
  - Research publicly available market data that may impact the share entitlement ratio; and
  - Other publicly available information.

- Analysis of information.

7. Recommendation of Share Entitlement Ratio

From the discussions with the management and from proposed Demerger Scheme to be filed with the authorities, we have observed as under:

a) ABB Power is the wholly owned subsidiary of ABB India;
b) upon the draft scheme becoming effective, shareholders of ABB India would be entitled to shares in ABB Power in the same proportion in which they own shares in ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme);
c) upon the draft scheme becoming effective, the beneficial economic interest of the shareholders of ABB India in the paid-up equity share capital of ABB Power would be the same as it is in the paid-up equity share capital of ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme);
d) The equity shares held by ABB India and its nominees in ABB Power will be cancelled upon the draft scheme becoming effective.
e) The determination of share entitlement ratio would not impact the ultimate value for the shareholders of ABB India and the proposed demerger of the PG division of ABB India into ABB Power will be value neutral to ABB India's shareholders (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme).



Therefore, the determination of share entitlement ratio in the instant case is at best an internal arrangement between ABB India, its shareholders and ABB Power and a detailed valuation of the companies to determine the share entitlement ratio would not be relevant in the present case.

In such a situation, we may use the ratios of Net Asset Value ("NAV") of PG division and Non-PG division for computing share entitlement ratio. Further, the ratio may be adjusted to avoid/minimise any fractional holding. We have computed the net assets value ratio as under:

Net Asset Value Ratio

Particulars	PG division	Non-PG division	ABB India
NAV (based on Balance Sheet as at 31 December 2018) (Rs in million)	6,794.9	33,278.2	40,073.1
% NAV	17.0%	83.0%	100.0%
Number of shares (mn)	211.9		

Note: The management of ABB India has represented us that there were no material changes in the balance sheet position between 31 December 2018 and 4 March 2019.

Based on the aforesaid discussion, considering that all shareholders of ABB India are and will, upon demerger, become shareholders of ABB Power, holding beneficial economic interest in the same proportion as they hold in ABB India except in the case of shareholders who would have fractional entitlement, ABB Power may consider issuing one equity share of ABB Power against 4.90 shares held in ABB India. However, to avoid fractional holdings, we recommend that 1 (one) fully paid up equity share of face value of Rs 2/- each of ABB Power should be issued for each every 5 (five) fully paid up equity shares of face value of Rs 2/- each held in ABB India. It is re-emphasized that economic interest of the shareholders is not impacted even when share of ABB Power is issued in the ratio of 5:1, instead of 4.9:1.

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8. Justification of Recommended Share Entitlement Ratio

The recommended share entitlement ratio will not impact the proportionate interest owned by shareholders of ABB India in the net book value of the assets of ABB India and ABB Power.

Pre-demerger

The net book value of the assets owned by a shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) can be computed as under:

Particulars	ABB India (pre-demerger)
Net Asset Value (as on 31 December 2018) (in Rs millions) (refer annexure 1)	40,073.08
Number of shares (in millions)	211.91
Net Asset Value per share (in Rs)	189.11

Therefore, the shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) owns interest in the net assets value of Rs 189.11.

Post-demerger

The net book value of the assets owned by a shareholder holding one equity share of Rs 2 of ABB India (post demerger) and that owned by a shareholder holding 1 equity share of Rs 2 of ABB Power can be computed as under:

Particulars	Non-PG (post demerger)	ABB Power (post demerger)
Net Asset Value (as on 31 December 2018) (in Rs millions) (refer annexure 2 & 3)	33,278.15	6,794.86
Number of shares (in millions)	211.91	42.38
Net Asset Value per share (in Rs)	157.04	160.33



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A shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) shall hold (I) one equity share of Rs 2 each of ABB India; and (ii) 0.2 share of Rs 2 each of ABB Power, in view of recommended share entitlement ratio.

Accordingly, the shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) would continue to own net assets value of Rs 189.11 computed as under:

Company	Amount
Net Asset Value of one equity share of ABB India Limited (Post demerger)	157.04
Net Asset Value of 0.2 equity share of ABB Power Products and Systems India Limited (Post demerger)	32.07
Total	**189.11**

Accordingly, it is evident that aforesaid share entitlement ratio is fair to each of the shareholders of ABB India.

(This space has been left blank intentionally)



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9. Conclusion

Based on the foregoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, pursuant to demerger of PG division of ABB India into ABB Power, we recommend the following share entitlement ratio for consideration by ABB Power to the shareholders of ABB India:

*"1 **(One)** equity share of INR 2 each fully paid up of ABB Power for, not in exchange of but in addition to, every **5 (five)** equity shares of INR 2 fully paid up held in ABB India"*

For **B.B. & Associates**
Chartered Accountants
Firm Registration No: 023670N



CA Balwan Bansal
IBBI Registration No: IBBI/RV/05/2018/10200
ICAI Membership No: 511341

Place: New Delhi
Date: March 4, 2019

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Annexure 1: Valuation of ABB India as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	13,655
Goodwill	464
Investments	2
Deferred tax asset	1,150
Current assets	
Inventories	13,472
Sundry debtors	30,868
Cash and bank balances	14,751
Loans and advances	394
Other current assets	16,078
	75,563
Less: Current liabilities & provisions	
Trade payables	30,551
Current liabilities	15,880
Provisions	4,244
	50,675
Borrowings	85
Net equity value	**40,073**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



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Annexure 2: Valuation of Non-PG division of ABB India as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	9,616
Goodwill	146
Investments	2
Deferred tax asset	1,150
Current assets	
Inventories	9,278
Sundry debtors	16,869
Cash and bank balances	14,751
Loans and advances	263
Other current assets	10,673
	51,833
Less: Current liabilities & provisions	
Trade payables	18,745
Current liabilities	8,019
Provisions	2,684
	29,448
Borrowings	20
Net equity value	**33,278**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



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Annexure 3: Valuation of PG division as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	4,039
Goodwill	318
Current assets	
Inventories	4,194
Sundry debtors	14,000
Cash and bank balances	-
Loans and advances	132
Other current assets	5,405
	23,730
Less: Current liabilities & provisions	
Trade payables	11,806
Current liabilities	7,861
Provisions	1,560
	21,227
Borrowings	65
Net equity value	**6,795**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



Annexure III

ICICI Securities

5 March 2019.

March 05, 2019

To,

The Board of Directors
ABB India Limited,
21st Floor, World Trade Center,
Brigade Gateway, No.26/1,
Dr. Rajkumar Road, Malleshwaram West,
Bengaluru - 560 055, India.

Background, Purpose and Use of this Report

We understand that the Board of Directors of ABB India Limited is considering the demerger of the "Power Grids Business" of ABB India Limited ("Transferor Company" or "ABB") into its wholly owned subsidiary, ABB Power Products and Systems India Limited ("Transferee Company") through Scheme of Arrangement ("Scheme") pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

The Scheme envisages demerger of the "Power Grids Business" of ABB ("Demerged Undertaking") into the Transferee Company as per terms and conditions more fully set forth in the Scheme to be placed before the Board for their approval.

In this connection, we have been requested by the Board of Directors of the Transferor Company to render our professional services by way of a Fairness Opinion as of date hereof, as to the fairness of the Share Entitlement Ratio provided by S R B C & CO LLP and B.B. & Associates to the Equity Shareholders of the Transferor Company.

We understand, that consequent to demerger, there will be no impact on the economic beneficial interest of the shareholders of the Transferor Company.

Rationale of the Scheme

In the Rationale of the Scheme, it has been provided that, ABB is now taking fundamental actions to realign the business to focus, simplify and lead in digital businesses for enhanced customer value and shareholder returns. This involves segregation of the traditional, long gestation projects led "Power Grid Business" into the Transferee Company. The simplification of ABB's business model and structure is expected to provide each business with full operational ownership of products, functions, research and development and territories. These actions are with the intent to position ABB with a leadership role in digital solutions and evolving technologies like artificial intelligence in India, while allowing

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Currency Derivatives : NSE Regn No INE 230773037
CIN No.: L67120MH1995PLC086241

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Name of Compliance Officer (Broking Operations) : Ms. Mamta Jayaram Shetty
Email Address: complianceofficer@icicisecurities.com / Tel (91 22) 4070 1000
Website Address: www.icicisecurities.com / www.icicidirect.com

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independent focus on the leadership position of "Power Grid Business" with its unique and established market dynamics.

Proposed Share Entitlement Ratio

- Equity shareholders of Transferor Company will receive 1 (One) equity share of face value and paid-up value of Rs. 2 (Two) each of the Transferee Company credited as fully paid up be allotted for every 5 (Five) equity shares of the Transferor Company, pursuant to the Demerger.
- The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company will be listed and/ or admitted to trading on the Stock Exchanges on which shares of ABB are listed.

Limitation of Scope & Review

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our opinion and analysis is limited to the extent of review of documents as provided to us by the Transferee Company and Transferor Company, including the Share Entitlement Ratio prepared by S R B C & CO LLP, B.B. & Associates and a draft of the Scheme. In addition to the documents shared, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis. We have been represented that Transferee Company was incorporated specifically for acquiring the Power Grids Business on a going concern basis. Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Transferee Company and /or Transferor Company. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share Entitlement Ratio for the Scheme, it may not be valid for any other purpose or if provided on behalf of any other entity. In particular, we do not express any opinion as to the value of any asset of the Transferee Company and Transferor Company, whether at the current prices or in the future.

Our analysis and results are also specific to the date of this report and based on information till date hereof. This report is issued on the understanding that the Transferee Company and/or Transferor Company have drawn our attention to all the matters, which they are aware of concerning the financial position of the Transferee Company and /or Transferor Company, their businesses, and any other matter, which may have an impact on our opinion, on the Share Entitlement Ratio for the Proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the Transferee Company and/or Transferor Company or subsequently. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Transferee Company and /or Transferor Company without detailed inquiry. We have also been given to understand by the management of the respective Transferee Company and /or Transferor Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Transferee Company and /or Transferor Company and their impact on the present exercise.

We express no opinion whatever and make no recommendation at all to the Transferee Company and /or Transferor Company underlying its decision to the effect the Scheme or as to how the shareholders of equity shares or secured or unsecured creditors of the Transferee Company and /or Transferor Company should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme.

We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of Transferee Company and /or Transferor Company will trade at any time, including subsequent to the date of this opinion.

Our report is not and should not be construed as our opining or certifying the compliance of the Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Scheme.

This report is intended only for the sole use and benefit of the Board of Directors of the Transferor Company in connection with its consideration of the Scheme for the purpose of obtaining judicial and regulatory approvals and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person / party intending to provide finance/invest in the shares/business of any of the Transferee Company and /or Transferor Company or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant stock exchanges, advisors of the Transferor Company and/or Transferee Company in relation to the Scheme, as well as with the statutory authorities.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or

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otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

Our Recommendation

The effect of the Scheme is that each shareholder of the Transferor Company becomes the beneficial economic owner of the shares in the Transferee Company, in the same proportion, either directly, and/or in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme.

Based on the above, all the current shareholders of the Transferor Company are and will, upon demerger, be the ultimate beneficial economic owners of the Transferee Company upon allotment of equity shares by the Transferee Company in the proposed Share Entitlement Ratio.

As stated in the Share Entitlement Report by S R B C & CO LLP and B.B. & Associates, they have recommended the following:

"1 (One) equity share of face value and paid-up value of Rs. 2 (Two) each of the Transferee Company credited as fully paid up be allotted for every 5 (Five) equity shares of the Transferor Company"

The aforesaid Demerger shall be pursuant to the Scheme and shall be subject to receipt of approval from National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. We have issued the Fairness Opinion with the understanding that the Scheme provided to us shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

As per the Scheme, having regard to all relevant factors and on the basis of information and explanations given to us, including the Share Entitlement Ratio Report, we are of the opinion on the date hereof, that the proposed Share Entitlement Ratio as recommended by S R B C & CO LLP and B.B. & Associates is fair to the equity shareholders of Transferor Company.

Yours faithfully,
For ICICI Securities Limited,

Deepak Nawal
Vice President

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Annexure IV

EXPERIENCE THE NEW

Revised Letter

DCS/AMAL/SV/R37/1482/2019-20 **May 28, 2019**

The Company Secretary,
ABB India Ltd.
21st Floor, World Trade Center, Brigade Gateway,
No. 26 / 1, Dr. Rajkumar Road,
Malleshwaram West, Bengaluru,
Karnataka, 560055

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

We are in receipt of Draft Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its revised letter dated May 28, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of ABB Power Products and Systems India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, ABB Power Products and Systems India Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

EXPERIENCE THE NEW

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of ABB Power Products and Systems India Limited is at the discretion of the Exchange. In addition to the above, the listing of ABB Power Products and Systems India Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about ABB Power Products and Systems India Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all the information of ABB Power Products and Systems India Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about ABB Power Products and Systems India Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

   i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   ii. "There shall be no change in the shareholding pattern of ABB Power Products and Systems India Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Lette**r, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Kindly note that Exchange's letter no. DCS/AMAL/SV/R37/1476/2019-20 dated May 13, 2019 stands withdrawn.

Yours faithfully,

Nitinkumar Pujari
Senior Manager

S&P BSE SENSEX

Annexure V

National Stock Exchange Of India Limited

Ref: NSE/LIST/20314_I

May 28, 2019

The Company Secretary
ABB India Limited
21st Floor, World Trade Center,
Brigade Gateway,
No. 26/1, Dr. Rajkumar Road,
Malleshwaram West
Bangalore- 560055

Kind Attn.: Mr. B Gururaj

Dear Sir,

Sub: **Observation Letter for Scheme of Arrangement of ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors**

We are in receipt of Scheme of Arrangement of ABB India Limited (Transferor Company) and ABB Power Products and Systems India Limited (Transferee Company) and their respective shareholders and creditors vide application dated March 12, 2019.

Based on our letter reference no Ref: NSE/LIST/20314 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated May 28, 2019, has given following comments:

a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circular.*

c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

This Document is Digitally Signed

Signer: Rajendra P Bhosale
Date: Tue, May 28, 2019 18:29:06 IST
Location: NSE

Continuation Sheet

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from May 28, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Limited**

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer: Rajendra P Bhosale
Date: Tue, May 28, 2019 18:29:06 IST
Location: NSE

Annexure VI

REF:INABB:STATUT:LODR:REGU 37: April 16, 2019

BSE Limited
P.J. Towers
Dalal Street
Mumbai 400 001

Attn: Listing Dept.

Dear Sir

Sub: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

Ref: BSE - 500002 / NSE - ABB

With reference to our application under Regulation 37 of the Listing Regulations, we are hereby submitting the Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Request you to take it on record and issue your "No Objection" for the proposed Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

Thanking you

Yours faithfully

For ABB India Limited

B Gururaj
General Counsel &
Company Secretary
FCS-2631

Encl: a/a

ABB India Limited
Registered Office and Corporate Office
21st Floor, World Trade Center
Brigade Gateway, No. 26/1
Dr. Rajkumar Road, Malleshwaram West
Bengaluru – 560 055

CIN: L32202KA1949PLC032923

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ANNEXURE VII

Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017

Part A

Sl. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sl. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	**NA**	**NA**	**NA**

For ABB India Limited

B Gururaj
General Counsel &
Company Secretary
FCS-2631

Date: April 16, 2019
Place: Bengaluru

REF:INABB:STATUT:LODR:REGU 37: April 23, 2019

National Stock Exchange of India Limited
Manager-Listing
Exchange Plaza,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Tel. No. 022-2659 8237/38
takeover@nse.co.in

Dear Sir/Madam,

Attn: Listing Dept.

Dear Sir

Sub: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

Ref: (i) BSE - 500002 / NSE – ABB
(ii) Company's Application Number 20314 for Scheme of Arrangement

With reference to our application under Regulation 37 of the Listing Regulations, we are hereby submitting the Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Request you to take it on record and issue your "No Objection" for the proposed Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

Thanking you

Yours faithfully

For ABB India Limited

B Gururaj
General Counsel &
Company Secretary
FCS-2631

Encl: a/a

ANNEXURE J

Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017

Period of Complaints Report:

April 1, 2019 – April 22, 2019

Part A

Sl. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sl. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not applicable	Not applicable	Not applicable

For ABB India Limited

B Gururaj
General Counsel &
Company Secretary
FCS-2631

Date: April 23, 2019
Place: Bengaluru

Annexure VII

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ABB INDIA LIMITED (THE "COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON MARCH 5, 2019 AT 11.00 AM AT OFFICE OF ABB UNITED ARAB EMIRATES, 10TH FLOOR, CONCORD TOWER, DUBAI MEDIA CITY DUBAI - UNITED ARAB EMIRATES

1. A draft of the proposed scheme of arrangement amongst the Company and ABB Power Products and Systems India Limited ("**Transferee Company**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was placed before the Board of Directors of the Company ("**Board**" and such scheme, the "**Scheme**"). Words and expressions, used in capitalized form but not defined in this report, shall have the meaning ascribed to them in the Scheme.

2. As per Section 232(2)(c) of the Act, a report is required to be adopted by the directors explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, laying out in particular, the share entitlement ratio, specifying any special valuation difficulties, if any ("**Report**").

3. Having regard to the applicability of the aforesaid provisions, a draft of the Scheme and the following documents are placed before the Board:

   (i) **Share entitlement ratio reports:**
   a. Issued by S R B C & Co. LLP (firm registration no 324982E/E300003), Mumbai, independent chartered accountant, describing, *inter alia*, the methodology adopted by them in arriving at the share entitlement ratio and setting out the detailed computation of share entitlement ratio for the proposed Demerger ("**Share Entitlement Report 1**");
   b. Issued by B.B. & Associates Firm Registration No: 023670N CA Balwan Bansal IBBI Registration No: IBBI/RV/05/2018/10200, ICAI Membership No: 511341 , independent chartered accountant, describing, *inter alia*, the methodology adopted by them in arriving at the share entitlement ratio and setting out the detailed computation of share entitlement ratio for the proposed Demerger ("**Share Entitlement Report 2**");

   (ii) **Fairness Opinion** issued by ICICI Securities Limited, category I Merchant Banker, Mumbai (SEBI Registration No INM000011179), a SEBI registered merchant banker, to the Company, providing its opinion on the fairness of the share entitlement ratio, as recommended in the Share Entitlement Reports 1 and 2;

   (iii) **Copy of Auditors' Certificate** issued by B S R & Co. LLP, firm Registration no. 101248W/ W-100022, the statutory auditors of the Company, as required under Section 232(3) of the Act certifying that the accounting treatment in the draft Scheme is in accordance with the accounting standards and applicable law;

   (iv) A copy of the **Audit Committee Report** dated March 5, 2019 prepared by the Audit Committee of the Company in terms of the requirements of the Scheme Circular.

The rationale of the Scheme is set forth in detail in the Scheme and is therefore not reiterated in this report.

Effect of Scheme on stakeholders

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
(i)	Shareholders	The Company has only equity shareholders and does not have any preference shareholders. Upon the Scheme becoming effective and in consideration of the Demerger, the Transferee Company shall allot equity shares credited as fully-paid up shares in the Transferee Company to the shareholders of the Company whose names appear in the register of members of the Company on a specified record date or to such of their respective heirs, executors, administrators or other legal representatives or successors in title as on such record date in the following manner: "1 (one) fully paid-up equity shares, of face value Rs. 2/- (Rupees Two only) each in the Transferee Company for every 5 (five) fully paid up equity share(s) of face value Rs. Rs. 2/- (Rupees Two only) each of the Company." ("**Share Entitlement Ratio**") Pursuant to the Demerger, the equity shares of the Transferee Company will be listed on the BSE Limited and the National Stock Exchange of India Limited. The entire shareholding of the Company in the Transferee Company, held by the Company itself or through its nominees, will stand cancelled. The Scheme is expected to have several benefits for the Company, as indicated in the rationale of the Scheme set out above, and is expected to be in the best interests of the shareholders of the Company.
(ii)	Promoter(s)	Like all the shareholders of the Company, the promoters of the Company will be allotted equity shares in the Transferee Company in accordance with the Share Entitlement Ratio. Please refer to point (i) above for details regarding effect on the shareholders.
(iii)	Non-Promoter Shareholders	Please refer to point (i) above for details regarding effect on the shareholders.

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
(iv)	Key Managerial Personnel ("**KMP**")	The KMPs of the Company shall continue as key managerial personnel of the Company after effectiveness of the Scheme.

4. **Share Entitlement Ratio**

1) For the purpose of arriving at the Share Entitlement Ratio, the Share Entitlement Ratio Report 1 and Share Entitlement Ratio Report 2 were obtained.

2) SRBC & Co. LLP (firm registration no 324982E/E300003), independent chartered accountant appointed to determine the share entitlement ratio for the said Demerger has not expressed any difficulty while determining the Share Entitlement Ratio. The chartered accountants have considered Net Asset Value methodology for determining the relative value of the businesses in order to arrive at the Share Entitlement Ratio for the Scheme which have been considered in the present case.

3) B.B. & Associates Firm Registration No: 023670N CA Balwan Bansal IBBI Registration No: IBBI/RV/05/2018/10200, ICAI Membership No: 511341, independent chartered accountant appointed to determine the share entitlement ratio for the said Demerger has not expressed any difficulty while determining the Share Entitlement Ratio. The chartered accountants have considered Net Asset Value methodology for determining the relative value of the businesses in order to arrive at the Share Entitlement Ratio for the Scheme which have been considered in the present case.

4) A fairness opinion issued by ICICI Securities Limited also does not indicate any special valuation difficulties.

5) The recommendation of the Share Entitlement Ratio has been certified as being fair and has been approved by the Board of the Company, the Audit Committee of the Company and the board of directors of the Transferee Company.

6) The Scheme provides that upon the Scheme becoming effective and in consideration of the vesting of the Demerged Undertaking in the Transferee Company in terms of the Scheme, the Transferee Company shall allot equity shares, credited as fully paid-up, to the members of the Company whose names appear in the register of members of the Company on the relevant record date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as on the record date in the following manner:

"*1 (one) fully paid-up equity shares, of face value Rs. 2/- (Rupees Two only) each in the Transferee Company for every 5 (five) fully paid up equity share(s) of face value Rs. 2/- (Rupees Two only) each of the Company, pursuant to the Demerger.*"

5. Adoption of the Report by the Directors

The directors of the Company have adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

J C DESLARZES
CHAIRMAN
DIN: 08064621

Date: March 5, 2019
Place: Dubai

Annexure VIII

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED (THE "COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON MARCH 5, 2019 COMMENCED AT 1:30 P.M. AND CONCLUDED AT 2:00 P.M. IN THE BOARD ROOM OFFICE OF ABB UNITED ARAB EMIRATES, 10TH FLOOR, CONCORD TOWER, DUBAI MEDIA CITY, DUBAI - UNITED ARAB EMIRATES

1. A draft of the proposed scheme of arrangement amongst the Company and ABB India Limited ("**Transferor Company**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was placed before the Board of Directors of the Company ("**Board**" and such scheme, the "**Scheme**"). Words and expressions, used in capitalized form but not defined in this report, shall have the meaning ascribed to them in the Scheme.

2. As per Section 232(2)(c) of the Act, a report is required to be adopted by the directors explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, laying out in particular, the share entitlement ratio, specifying any special valuation difficulties, if any ("**Report**").

3. Having regard to the applicability of the aforesaid provisions, a draft of the Scheme and the following documents are placed before the Board:

   (i) **Share entitlement ratio report** issued by B.B. & Associates Firm Registration No: 023670N CA Balwan Bansal IBBI Registration No: IBBI/RV/05/2018/10200, ICAI Membership No: 511341, independent chartered accountant, describing, *inter alia*, the methodology adopted by them in arriving at the share entitlement ratio and setting out the detailed computation of share entitlement ratio for the proposed Demerger ("**Share Entitlement Ration Report**"); and

   (ii) **Draft Auditors' Certificate** issued by B S R & Co. LLP, firm Registration no. 101248W/ W-100022, the statutory auditors of the Company, as required pursuant to proviso to Section 232(3) of the Act certifying that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.

The rationale of the Scheme is set forth in detail in the Scheme and is therefore not reiterated in this report.

ABB Power Products and Systems India Limited

ABB Power Products and Systems India Limited
Registered Office
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Brigade Gateway, No 26/1
Dr Rajkumar Road, Malleshwaram West
Bengaluru – 560 055

CIN: U31904KA2019PLC121597
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Effect of Scheme on stakeholders

S. No.	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME ON STAKEHOLDERS
(i)	Shareholders	The Company has only equity shareholders and does not have any preference shareholders. The entire shareholding of the Company is held by the Transferor Company by itself or through is nominees. As an integral part of the Scheme the entire pre-scheme share capital of the Company will stand cancelled and accordingly, the Transferor Company will cease to be a shareholder of the Company. Upon the Scheme becoming effective and in consideration of the Demerger, the Company shall allot equity shares credited as fully-paid up shares in the Company to the shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company on a specified record date or to such of their respective heirs, executors, administrators or other legal representatives or successors in title as on such record date in the following manner: "*1 (one) fully paid-up equity shares, of face value Rs. 2/- (Rupees Two only) each in the Company for every 5 (five) fully paid up equity share(s) of face value Rs. 2/- (Rupees Two only) each of the Transferor Company.*" ("**Share Entitlement Ratio**"). Pursuant to the Demerger, the equity shares of the Company will be listed on the BSE Limited and the National Stock Exchange of India Limited.
(ii)	Promoter(s)	The promoter i.e. the Transferor Company will cease to be a shareholder of the Company.
(iii)	Non-Promoter Shareholders	Please refer to point (i) above for details regarding effect on the shareholders.
(iv)	Key Managerial Personnel ("**KMP**")	The Company has no KMPs as of date.

ABB Power Products and Systems India Limited

ABB Power Products and Systems India Limited
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4. **Share Entitlement Ratio**

1) For the purpose of arriving at the Share Entitlement Ratio, the Share Entitlement Ratio Report was obtained from B.B. & Associates Firm Registration No: 023670N CA Balwan Bansal IBBI Registration No: IBBI/RV/05/2018/10200, ICAI Membership No: 511341, independent chartered accountant appointed to determine the share entitlement ratio for the said Demerger. B.B. & Associates has not expressed any difficulty while determining the Share Entitlement Ratio. The chartered accountants have considered Net Asset Value methodology for determining the relative value of the businesses in order to arrive at the Share Entitlement Ratio for the Scheme which have been considered in the present case.

2) The recommendation of the Share Entitlement Ratio has been certified as being fair and has been approved by the Board, the Audit Committee of the Transferor Company and the board of directors of the Transferor Company.

3) The Scheme provides that upon the Scheme becoming effective and in consideration of the vesting of the Demerged Undertaking in the Company in terms of the Scheme, the Company shall allot equity shares, credited as fully paid-up, to the members of the Transferor Company whose names appear in the register of members of the Transferor Company on the relevant record date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as on the record date in the following manner:

"1 (one) fully paid-up equity shares, of face value Rs. 2/- (Rupees Two only) each in the Company for every 5 (five) fully paid up equity share(s) of face value Rs. 2/- (Rupees Two only) each of the Transferor Company, pursuant to the Demerger."

5. **Adoption of the Report by the Directors**

The directors of the Company have adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

Sanjeev Sharma
DIN: 07362344
Chairman of the Meeting

Date: March 5, 2019.
Place: Dubai.

ABB Power Products and Systems India Limited

ABB Power Products and Systems India Limited
Registered Office
21st Floor, World Trade Center
Brigade Gateway, No 26/1
Dr Rajkumar Road, Malleshwaram West
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Annexure IX

Pre and post Amalgamation / Arrangement Shareholding pattern as on June 29, 2019

			Transferor Company*		Transferee company			
			Pre-arrangement		Pre-arrangement		Post-arrangement	
Sr	**Description**	**Name of Shareholder**	**No. of shares**	**%**	**No. of shares**	**%**	**No. of shares**	**%**
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
	Individuals/ Hindu Undivided Family	-	-	-	6**	0.01	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	ABB India Limited ***	-	-	49,994	99.99	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Others	-	-	-	50,000	100.00	-	-
	Sub Total(A)(1)	-	-	-				
2	**Foreign**	-	-	-	-	-	-	-
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)							
(b)	Bodies Corporate	ABB Asea Brown Boveri Limited	15,89,31,281	75.00	-	-	3,17,86,256	75.00
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Others	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	1,58,931,281	75.00	-	-	3,17,86,256	75.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	**15,89,31,281**	**75.00**	**50,000**	**100.00**	**3,17,86,256**	**75.00**
(B)	**Public shareholding**							
1	**Institutions**							
(a)	Mutual Funds/ UTI		1,47,08,527	6.94	-	-	29,41,705	6.94
(b)	Financial Institutions / Banks		1,21,20,554	5.72	-	-	24,24,111	5.72
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance	-	-	-	-	-	-	-

	Companies							
(f)	Foreign Institutional Investors	-	73,91,605	3.49	-	-	14,78,321	3.49
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other		705	0.00	-	-	141	0.00
	Sub-Total (B)(1)		**3,42,21,391**	**16.15**	-	-	**68,44,278**	**16.15**
2	**Non-institutions**							
(a)	Bodies Corporate		28,69,382	1.35	-	-	5,73,876	1.35
(b)	Individuals		-	-	-	-		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh		1,35,33,058	6.39	-	-	27,06,612	6.39
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.		7,24,249	0.34	-	-	1,44,850	0.34
(c)	Any Other		16,29,014	0.77	-	-	3,25,803	0.77
	Sub-Total (B)(2)		**18,755,703**	**8.85**	-	-	**37,51,141**	**8.85**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**		**5,29,77,094**	**25.00**	-	-	**1,05,95,419**	**25.00**
	TOTAL (A)+(B)		**21,19,08,375**	**100.00**	-	-	**4,23,81,675**	**100.00**
(C)	Shares held by Custodians and against which DRs have been issued		-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)		**21,19,08,375**	**100.00**	-	-	**4,23,81,675**	**100.00**

* There will not be any change in shareholding pattern of ABB India Limited (pre and post arrangement) pursuant to sanction of Scheme of Arrangement by the Hon'ble National Company Law Tribunal.

** Sunil L Naik, Bhanutej K Patil, Choodamani NK, EA Karthikeyan, Jayantha Kumar Chatterjee, Harshvardhan S. Nalawade are holding one share each where Beneficial interest is with ABB India Limited.

*** Pursuant to the Scheme of Arrangement the Equity Shares held by ABB India Limited in the Transferee Company will be cancelled.

Note: The above shareholding (pre and post) is as of June 29, 2019. The actual number of shareholders may change depending on the position as on the Record Date (as defined in the Scheme of Arrangement). The same is also subject to adjustment for fractional entitlements.

Annexure X

ABB India Limited
CIN: L32202KA1949PLC032923
Registered Office: 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560 055
Phone: +91 (80) 22949150 - 22949153; Fax: +91 (80) 22949148 Website: www.abb.co.in, E-mail: investor.helpdesk@in.abb.com
Statement of unaudited results for the quarter ended 31/03/2019

Part I ₹ In Crores

	Particulars	3 months ended 31/03/2019	Preceding 3 months ended 31/12/2018	Corresponding 3 months ended 31/03/2018 in the previous year	Previous year ended 31/12/2018
		Unaudited	Audited	Unaudited	Audited
1	**Revenue from operations**				
	(a) Sales / Income from operations (inclusive of excise duty)	**1,828.30**	1,939.54	1,551.08	6,613.36
	(b) Other operating revenue	**21.95**	26.78	15.38	76.76
	Total revenue from operations	**1,850.25**	1,966.32	1,566.46	6,690.12
2	Other income (net)	**19.12**	15.98	22.81	84.01
3	**Total income (1 + 2)**	**1,869.37**	1,982.30	1,589.27	6,774.13
4	**Expenses**				
	(a) Cost of raw materials and components consumed and project bought out	**1,057.86**	1,072.12	893.51	3,755.62
	(b) Purchases of stock-in-trade	**184.04**	170.92	127.03	582.11
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(19.02)**	30.01	(1.59)	(50.38)
	(d) Subcontracting charges	**43.81**	52.29	59.15	226.30
	(e) Employee benefits expense	**157.47**	100.45	145.40	529.50
	(f) Depreciation and amortisation expense	**23.31**	23.68	22.54	92.76
	(g) Finance costs	**2.64**	5.27	19.85	53.90
	(h) Other expenses	**280.57**	325.10	253.48	1,189.16
	Total expenses	**1,730.68**	1,780.04	1,519.37	6,378.99
5	**Profit before tax (3 - 4)**	**138.69**	202.26	69.90	395.14
6	**Tax expense**				
	Current tax	**49.85**	60.82	13.69	139.65
	Deferred tax charge/(credit)	**(0.18)**	12.80	10.61	1.30
	Total tax expense	**49.67**	73.62	24.30	140.95
7	**Profit from continuing operations after tax (5-6)**	**89.02**	128.64	45.60	254.19
8	Profit from discontinued operations	**42.42**	108.91	87.20	399.10
9	Tax expense of discontinued operations	**15.25**	39.64	30.31	142.40
10	**Profit from discontinued operations after tax (8-9)**	**27.17**	69.27	56.89	256.70
11	**Profit for the period (7+10)**	**116.19**	197.91	102.49	510.89
12	**Other comprehensive income (OCI) (net of tax)**				
	Other comprehensive income / (expenses) not to be reclassified to profit or loss -				
	Remeasurement gains / (losses) on defined benefit plans	**4.99**	(13.87)	16.86	2.99
	Income tax effect	**(1.75)**	4.85	(5.89)	(1.04)
	Total other comprehensive income (net of tax)	**3.24**	(9.02)	10.97	1.95
13	**Total comprehensive income (11+12)**	**119.43**	188.89	113.46	512.84
14	Paid-up Equity Share Capital (Face value per share - ₹ 2/- each)	**42.38**	42.38	42.38	42.38
15	Reserves excluding Revaluation Reserves as per Balance Sheet	-	-	-	3,964.94
16	**Earnings per share ('EPS') (of ₹ 2/- each) (not annualised except year end EPS)**				
	Continuing operations				
	a) Basic	**4.20**	6.07	2.15	12.00
	b) Diluted	**4.20**	6.07	2.15	12.00
	Discontinued operations				
	a) Basic	**1.28**	3.27	2.69	12.11
	b) Diluted	**1.28**	3.27	2.69	12.11
	Continuing and Discontinued operations				
	a) Basic	**5.48**	9.34	4.84	24.11
	b) Diluted	**5.48**	9.34	4.84	24.11

See accompanying notes to the financial results





Part II

Segmentwise revenues, results, assets and liabilities.

	Particulars	3 months ended 31/03/2019	Preceding 3 months ended 31/12/2018	Corresponding 3 months ended 31/03/2018 in the previous year	Previous year ended 31/12/2018
		Unaudited	Audited	Unaudited	Audited
a)	Segment Revenues				
	Robotics and Motion	**799.61**	698.07	596.90	2,502.19
	Electrification Products	**730.65**	748.03	650.92	2,616.07
	Industrial Automation	**361.39**	515.47	302.35	1,540.02
	Others	**39.97**	128.40	80.19	371.48
	Total	**1,931.62**	2,089.97	1,630.36	7,029.76
	Less : Inter segment revenues	**81.37**	123.65	63.90	339.64
	Total Revenue from operations (Continuing operations)	**1,850.25**	1,966.32	1,566.46	6,690.12
	Power Grids (Discontinued operations)	**907.95**	1,159.26	989.79	4,221.72
	Less: Inter segment revenues	**13.13**	17.25	10.77	49.94
	Total Revenue from operations (Discontinued operations)	**894.82**	1,142.01	959.02	4,171.78
b)	Segment Results (Profit Before Tax and Interest)				
	Robotics and Motion	**79.33**	74.93	43.10	220.52
	Electrification Products	**64.11**	75.64	66.99	249.58
	Industrial Automation	**36.53**	72.46	39.44	189.93
	Total	**179.97**	223.03	149.53	660.03
	(Add) / Less - Interest	**2.64**	5.27	19.85	53.90
	- Other unallocated expenditure net off unallocated income	**38.64**	15.50	59.78	210.99
	Total Profit Before Tax (Continuing operations)	**138.69**	202.26	69.90	395.14
	Power Grids (Discontinued operations)	**50.18**	113.68	90.50	421.90
	Less: Interest	**7.76**	4.97	3.30	22.80
	Total Profit Before Tax (Discontinued operations)	**42.42**	108.91	87.20	399.10
c)	Segment Assets				
	Robotics and Motion	**1,364.18**	1,103.53	1,169.01	1,103.53
	Electrification Products	**1,576.95**	1,471.61	1,462.68	1,471.61
	Industrial Automation	**1,051.45**	1,057.93	957.24	1,057.93
	Power Grids (Discontinued)	**2,954.46**	2,802.22	2,672.12	2,802.22
	Unallocated	**2,461.51**	2,641.61	2,988.11	2,641.61
	Total Segment Assets	**9,408.55**	9,076.90	9,229.16	9,076.90
d)	Segment Liabilities				
	Robotics and Motion	**1,095.21**	827.41	856.58	827.41
	Electrification Products	**859.33**	846.49	874.62	846.49
	Industrial Automation	**705.10**	692.07	612.27	692.07
	Power Grids (Discontinued)	**2,097.62**	2,122.74	1,954.10	2,122.74
	Unallocated	**514.77**	580.87	1,211.23	580.87
	Total Segment Liabilities	**5,272.03**	5,069.58	5,508.80	5,069.58

Notes

1. This statement has been reviewed by the Audit Committee and recommended for approval to the Board and the Board approved at its meeting held on May 7, 2019.

2. Effective January 1 2019, the Company has adopted IND AS 115, "Revenue from Contracts with customers". The Company has adopted the aforesaid standard retrospectively with a cumulative impact of ₹ 9.76 Crores (net of tax impact ₹ 5.24 Crores) credited to the retained earnings as on January 1, 2019. Accordingly, the comparatives are presented, as previously reported, under earlier revenue recognition standards.

3. The Board at its meeting held on February 13, 2019 granted in-principle approval for the segregation of the Company's Power Grids business from the other businesses of the Company. Consequently, in pursuant to the requirements of Ind AS 105 – Non Current Assets held for Sale and Discontinued Operations, the Company has classified the assets and liabilities as at December 31, 2018 and March 31, 2019 pertaining to the Power Grids Business as Assets / Liabilities held for sale and measured the same at lower of cost and fair value (fair value less costs to sell). The Financial results of Power Grids business are presented as discontinued operations in the current and prior periods presented.

   On March 5, 2019, the Board of Directors of Company approved the Scheme of Arrangement amongst the Company and ABB Power Products and Systems India Limited (APPSIL) (a newly incorporated wholly owned subsidiary of the Company) for Demerger of Company's Power Grids business to APPSIL ("Demerger"). The Scheme of Arrangement is subject to approval of Shareholders and Creditors of the Company and APPSIL and also subject to sanction by National Company Law Tribunal.

S R & Co. LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

ABB India Limited ABB Bengaluru

4. ABB Power Products and Systems India Limited (APPSIL) was incorporated on February 19, 2019 as a wholly owned subsidiary of ABB India Limited. However, there are no transaction in APPSIL during the quarter ended March 31, 2019. Therefore, the above, financial results for the quarter ended March 31, 2019 are for the standalone financial statements for ABB India Limited.

5. The figures of the previous year/ periods have been regrouped/ reclassified, wherever necessary.





For ABB India Limited

Sanjeev Sharma
Managing Director
DIN: 07362344

Place : Bengaluru
Date : 07th May 2019

B S R & Co. LLP
Chartered Accountants

Maruthi Info-Tech Centre
11-12/1, B Block, 2nd Floor
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Bangalore 560 071 India

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Limited Review Report on unaudited quarterly financial results and year-to-date results of ABB India Limited pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of ABB India Limited

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of ABB India Limited ('the Company') for the quarter ended 31 March 2019 attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations').

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditors of the Entity*", specified under section 143 (10) of the Companies Act, 2013.This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Amit Somani

Amit Somani
Partner
Membership number: 060154
Place: Bangalore, India

Date: 7 May 2019

ABB India Limited

(₹ in Crores)

Balance Sheet as at March 31, 2019	**Notes**	**March 31, 2019**	March 31, 2018	December 31, 2018
Assets				
Non-current assets				
Property, plant and equipment	3	**747.14**	1,144.73	871.30
Capital work-in-progress	3	**92.79**	143.97	83.06
Goodwill	4	**14.62**	46.42	14.62
Other intangible assets	4	**8.87**	27.47	7.22
Financial assets				
Investments	5	**0.09**	0.17	0.09
Loans	6	**10.41**	27.08	10.42
Others financial assets	7	**1.52**	0.33	1.51
Deferred tax assets (net)	8	**108.15**	100.80	114.96
Non-current tax assets (net)	9	**268.82**	285.44	288.88
Other non-current assets	10	**157.36**	183.78	159.72
		1,409.77	1,960.19	1,551.78
Current assets				
Inventories	14	**1,029.72**	1,263.65	927.85
Financial assets				
Investments	5	**0.08**	258.85	0.08
Trade receivables	11	**1,910.88**	2,968.26	1,686.89
Cash and cash equivalents	12	**1,469.84**	1,401.26	1,472.40
Bank balance other than cash and cash equivalents	13	**2.66**	2.47	2.67
Loans	6	**17.77**	21.78	15.84
Other financial assets	7	**238.64**	805.63	281.91
Other current assets	15	**374.73**	547.07	335.26
		5,044.32	7,268.97	4,722.90
Assets classified as held for sale and discontinued operations	32	**2,954.46**	-	2,802.22
Total Assets		**9,408.55**	9,229.16	9,076.90
Equity and liabilities				
Equity				
Equity share capital	16	**42.38**	42.38	42.38
Other equity	17	**4,094.14**	3,677.98	3,964.94
		4,136.52	3,720.36	4,007.32
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	18	**2.03**	4.14	2.03
Other financial liabilities	19	**3.52**	3.96	3.49
Provisions	20	**32.29**	42.43	32.29
		37.84	50.53	37.81

ABB India Limited

(₹ in Crores)

Balance Sheet as at March 31, 2019	**Notes**	**March 31, 2019**	March 31, 2018	December 31, 2018
Current liabilities				
Financial liabilities				
Trade payables				
Total outstanding dues to micro enterprises and small enterprises	21	**177.49**	101.55	123.80
Total outstanding dues to creditors other than micro enterprises and small enterprises	21	**1,912.03**	2,737.43	1,750.71
Other financial liabilities	19	**440.47**	1,286.57	403.38
Other current liabilites	22	**343.34**	1,031.94	397.76
Provisions	20	**263.24**	300.78	233.38
		3,136.57	5,458.27	2,909.03
Liabilities directly associated with discontinued operations		**2,097.62**	-	2,122.74
Total Equity and liabilities		**9,408.55**	9,229.16	9,076.90

ABB India Limited
Statement of profit and loss **(₹ in Crores)**

For the period ended March 31, 2019	Notes	**March 31, 2019**	March 31, 2018	December 31, 2018
Income				
Revenue from operations	23	**1,850.25**	1,566.46	6,690.12
Other income	24	**19.12**	22.81	84.01
Total income		**1,869.37**	1,589.27	6,774.13
Expenses				
Cost of raw materials, components consumed and project bought outs	25	**1,057.86**	893.51	3,755.62
Purchases of traded goods	26	**184.04**	127.03	582.11
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	27	**(19.02)**	(1.59)	(50.38)
Subcontracting charges		**43.81**	59.15	226.30
Employee benefit expenses	28	**157.47**	145.40	529.50
Depreciation and amortisation expense	29	**23.31**	22.54	92.76
Finance costs	30	**2.64**	19.85	53.90
Other expenses	31	**280.57**	253.48	1,189.18
Total expenses		**1,730.68**	1,519.37	6,378.99
Profit from continuing operations before tax		**138.69**	69.90	395.14
Tax expense:				
Current tax	8	**49.85**	13.69	139.65
Deferred tax	8	**(0.18)**	10.61	1.30
		49.67	24.30	140.95
Profit from continuing operations after tax		**89.02**	45.60	254.19
Discontinued operations				
Profit from discontinued operations		**42.42**	87.20	399.10
Tax expense of discontinued operations		**15.25**	30.31	142.40
Profit from discontinued operations after tax		**27.17**	56.89	256.70
Profit for the year		**116.19**	102.49	510.89

ABB India Limited
Statement of profit and loss

(₹ in Crores)

For the period ended March 31, 2019	**Notes**	**March 31, 2019**	March 31, 2018	December 31, 2018
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement income/(loss) on defined benefit plan		**4.99**	16.86	2.99
Income tax effect	8	**(1.75)**	(5.89)	(1.04)
Other comprehensive income for the year, net of tax		**3.24**	10.97	1.95
Total comprehensive income for the year, net of tax		**119.43**	113.46	512.84
Earnings per equity share - continuing operations	33			
Basic		**4.20**	2.15	12.00
Diluted		**4.20**	2.15	12.00
Earnings per equity share - discontinued operations	33			
Basic		**1.28**	2.68	12.11
Diluted		**1.28**	2.68	12.11
Earnings per equity share - continuing and discontinued operations	33			
Basic		**5.48**	4.84	24.11
Diluted		**5.48**	4.84	24.11

ABB India Limited
Statement of cash flows **(₹ in Crores)**

For the period ended March 31, 2019	**March 31, 2019**	March 31, 2018	December 31, 2018
A. Cash flow from operating activities			
Profit before tax from continuing operations	**138.69**	69.90	395.14
Profit before tax from discontinued operations	**42.42**	87.20	399.10
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Depreciation and amortisation expense	**36.89**	35.61	145.78
Unrealised exchange loss / (gains) (net)	**(8.57)**	10.91	(19.10)
Mark to market change in forward and commodity contracts	**9.88**	(8.55)	0.54
Profit on sale of mutual funds	**-**	(4.37)	(12.22)
Profit on sale of business	**-**	-	(14.01)
(Profit) / loss on sale of fixed assets (net)	**(2.77)**	(1.11)	3.84
Bad debts / advances written off	**20.11**	1.71	86.50
Provision for doubtful debts and advances	**(9.05)**	(0.69)	12.56
Interest income	**(16.32)**	(17.33)	(60.49)
Interest expense	**10.40**	19.85	76.69
Operating profit before working capital changes	**221.68**	193.13	1,014.33
Movement in working capital			
Increase / (decrease) in trade payables	**111.69**	108.62	483.52
Increase / (decrease) in other financial liabilities	**61.69**	153.04	13.55
Increase / (decrease) in other liabilities and provisions	**144.08**	5.42	134.70
(Increase) / decrease in trade receivables	**(261.02)**	(198.99)	(646.46)
(Increase) / decrease in inventories	**(152.12)**	(110.10)	(197.79)
(Increase) / decrease in other financial assets	**109.26**	(80.92)	55.57
(Increase) / decrease in loans and other assets	**(86.01)**	(79.46)	(7.18)
Cash generated from operations	**149.25**	(9.26)	850.24
Direct taxes paid (net of refunds)	**(67.63)**	(31.76)	(224.78)
Net cash flow from operating activities	**81.62**	(41.02)	625.46
B. Cash flow from investing activities			
Purchase of property, plant and equipment	**(58.40)**	(64.58)	(243.68)
Proceeds from sale of property, plant and equipment	**7.65**	5.55	7.65
	-	-	33.88
Proceeds from maturity of investments	**-**	15.96	16.04
Interest received	**14.71**	15.79	63.19
Investment in mutual fund	**-**	0.01	266.63
Net cash flow used in investing activities	**(36.04)**	(27.27)	143.71

ABB India Limited
Statement of cash flows

For the period ended March 31, 2019	**March 31, 2019**	March 31, 2018	December 31, 2018
C. Cash flow from financing activities			
Repayment of debentures	**-**	-	(600.00)
Proceeds from finance lease obligation	**-**	-	(1.43)
Interest paid	**(10.40)**	(19.76)	(79.85)
Dividend paid (including tax on dividend)	**-**	-	(112.41)
Net cash flow from / (used in) financing activities	**(10.40)**	(19.76)	(793.69)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**35.18**	(88.05)	(24.52)
Effects of exchange (loss) / gain on cash and cash equivalents	**(0.03)**	0.12	1.27
Cash and cash equivalents pertaining to discontinued operations (refer note 32)	**(37.71)**	-	6.46
Cash and cash equivalents (opening balance)	**1,472.40**	1,489.19	1,489.19
Cash and cash equivalents (closing balance)	**1,469.84**	1,401.26	1,472.40
Components of cash and cash equivalents			
Cash and bank balances	**1,472.50**	1,403.73	1,475.07
Less: Unpaid dividend account	**2.66**	2.47	2.67
(Also refer note no. 13)	**1,469.84**	1,401.26	1,472.40

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

3 Property, plant and equipment and capital work-in-progress **(₹ in Crores)**

	Owned assets									Leased assets	
	Freehold Land	Leasehold Land	Leasehold Improvements	Factory Buildings	Other Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Vehicles	Plant and Equipment	Total
Gross carrying value											
Deemed cost as at January 1, 2018	67.28	21.24	24.25	304.36	64.24	866.95	16.51	44.74	0.81	12.00	1,422.38
Additions	1.30	-	6.24	10.54	29.52	151.57	10.48	25.70	0.15	3.71	239.21
Disposal	-	(0.78)	(9.22)	(3.52)	(0.73)	(29.46)	(2.58)	(3.53)	-	-	(49.82)
Transferred to discontinued operations	(13.59)	-	(0.35)	(19.94)	(4.91)	(455.08)	(3.46)	(8.38)	(0.25)	-	(505.96)
As at December 31, 2018	54.99	20.46	20.92	291.44	88.12	533.98	20.95	58.53	0.71	15.71	1,105.81
Additions	**-**	**-**	**-**	**0.24**	**0.29**	**6.05**	**0.38**	**0.41**	**-**	**0.13**	**7.50**
Disposals	**(0.01)**	**-**	**(0.17)**	**-**	**-**	**(0.33)**	**(0.19)**	**-**	**-**	**-**	**(0.70)**
Transferred to discontinued operations	**(0.06)**	**(9.53)**	**0.11**	**(142.71)**	**(8.01)**	**(4.56)**	**1.35**	**(1.27)**	**-**	**-**	**(164.68)**
As at March 31, 2019	**54.92**	**10.93**	**20.86**	**148.97**	**80.40**	**535.14**	**22.49**	**57.67**	**0.71**	**15.84**	**947.93**
Accumulated depreciation											
Balance as at January 1, 2018	-	0.66	11.87	24.32	6.65	212.62	7.33	12.51	0.25	3.57	279.78
Depreciation charge for the year	-	0.32	2.51	12.73	3.47	99.14	4.27	7.42	0.19	5.22	135.27
Disposals	-	(0.11)	(9.21)	(1.30)	(0.35)	(22.67)	(2.57)	(3.00)	-	-	(39.21)
Transferred to discontinued operations	-	-	(0.13)	(2.59)	(0.72)	(133.97)	(1.56)	(2.19)	(0.17)	-	(141.33)
As at December 31, 2018	-	0.87	5.04	33.16	9.05	155.12	7.47	14.74	0.27	8.79	234.51
Depreciation charge for the year	**-**	**0.08**	**0.67**	**2.94**	**0.73**	**13.70**	**1.07**	**1.75**	**0.03**	**1.35**	**22.32**
Disposals	**-**	**-**	**(0.17)**	**-**	**-**	**(0.24)**	**(0.12)**	**-**	**-**	**-**	**(0.53)**
Transferred to discontinued operations	**-**	**(0.71)**	**(0.05)**	**(42.81)**	**(2.34)**	**(6.32)**	**(1.74)**	**(1.54)**	**-**	**-**	**(55.51)**
As at March 31, 2019	**-**	**0.24**	**5.49**	**(6.71)**	**7.44**	**162.26**	**6.68**	**14.95**	**0.30**	**10.14**	**200.79**
Net carrying value as at December 31, 2018	54.99	19.59	15.88	258.28	79.07	378.86	13.48	43.79	0.44	6.92	871.30
Net carrying value as at March 31, 2019	**54.92**	**10.69**	**15.37**	**155.68**	**72.96**	**372.88**	**15.81**	**42.72**	**0.41**	**5.70**	**747.14**
Capital work in progress as at December 31, 2018											83.06
Capital work in progress as at March 31, 2019											**92.79**

Notes:

a) Other buildings include cost of shares in Lotus Court Private Limited **₹ 0.01 crores**.

b) The Company had acquired freehold land of 20 acres 36 guntas on a slump sales basis, in 2011. Out of such free hold land acquired 15 acres and 5 guntas is registered in the Company's name and the balance 5 acres and 31 guntas is in the process of being registered.

c) There are no tangible assets given on operating lease.

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

4 Intangible assets **(₹ in Crores)**

	Goodwill	Other intangible assets		Total
		Technical Know-how fees	Capitalised Software	
Gross carrying value				
Deemed cost as at January 1, 2018	46.42	49.48	6.82	56.30
Additions	-	-	2.45	2.45
Disposal	-	(1.20)	(0.40)	(1.60)
Transferred to discontinued operations	(31.80)	(33.36)	(2.29)	(35.65)
As at December 31, 2018	14.62	14.92	6.58	21.50
Additions	**-**	**-**	**2.64**	**2.64**
Disposals	**-**	**-**	**-**	**-**
As at March 31, 2019	**14.62**	**14.92**	**9.22**	**24.14**
Accumulated amortisation / impairment				
Balance as at January 1, 2018	-	23.45	3.21	26.66
Amortisation charge for the year	-	8.85	1.66	10.51
Disposals	-	(0.70)	(0.40)	(1.10)
Transferred to discontinued operations	-	(20.72)	(1.07)	(21.79)
As at December 31, 2018	-	10.88	3.40	14.28
Amortisation charge for the year	**-**	**0.65**	**0.34**	**0.99**
Disposals	**-**	**-**	**-**	**-**
As at March 31, 2019	**-**	**11.53**	**3.74**	**15.27**
Net carrying value as at December 31, 2018	14.62	4.04	3.18	7.22
Net carrying value as at March 31, 2019	**14.62**	**3.39**	**5.48**	**8.87**

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
5 Investments						
Investment in bonds & debentures						
Unquoted:-						
(Carried at amortised cost)						
10 5.95%, 15 years Non-cumulative bonds of Karnataka Water & Sanitation Pooled Fund Trust of **₹ 2,50,000** (December 31, 2017 - ₹ 3,33,334) each fully paid.	**0.09**	0.17	0.09	**0.08**	0.08	0.08
Investment in mutual fund						
Quoted:-						
(Carried at fair value through profit and loss)						
Mutual funds						
755,784.82 units of -HDFC liquid fund - Direct plan - Growth option	**-**	-	-	**-**	258.77	-
	0.09	0.17	0.09	**0.08**	258.85	0.08

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
6 Loans						
(Unsecured considered good, unless otherwise stated)						
Security deposits	**10.41**	27.08	10.42	**13.27**	13.94	11.59
Loans to employees	**-**	-	-	**4.50**	7.84	4.25
	10.41	27.08	10.42	**17.77**	21.78	15.84

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
7 Other financial assets						
(Unsecured considered good)						
Non current bank balances	**1.52**	0.33	1.51	**-**	-	-
Interest accrued on fixed deposits	**-**	-	-	**3.81**	6.45	2.22
Interest accrued on investments	**-**	-	-	**0.01**	0.01	-
Deposits with customers	**-**	-	-	**5.96**	12.89	6.00
Contract revenue in excess of billing / unbilled revenue	**-**	-	-	**164.11**	700.69	217.38
Other receivables	**-**	-	-	**32.70**	41.54	30.29
Mark to market gain on forward contracts*	**-**	-	-	**18.60**	30.78	13.35
Mark to market gain on embedded derivatives*	**-**	-	-	**13.45**	13.27	12.67
	1.52	0.33	1.51	**238.64**	805.63	281.91

* At fair value through profit and loss

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
9 Non current tax asset (net)			
Advance income-tax (net of provision for tax)	**268.82**	285.44	288.88
	268.82	285.44	288.88

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
10 Other non-current assets			
Capital advances	**10.06**	10.25	13.16
Advances recoverable in cash or kind (considered doubtful)	**3.71**	4.40	3.24
	3.71	4.40	3.24
Less: Provision for doubtful advances	**3.71**	4.40	3.24
	-	-	-
Taxes and duties recoverable	**146.57**	172.40	145.72
Prepaid rent	**0.73**	1.13	0.84
	157.36	183.78	159.72

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
11 Trade receivables						
Unsecured						
Considered good	**-**	-	-	**1,910.88**	2,968.26	1,686.89
Considered doubtful	**232.40**	332.53	219.31	**144.22**	241.35	167.21
	232.40	332.53	219.31	**2,055.10**	3,209.61	1,854.10
Less:						
Loss allowance on doubtful receivable	**232.40**	332.53	219.31	**144.22**	241.35	167.21
	-	-	-	**1,910.88**	2,968.26	1,686.89

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
12 Cash and cash equivalents			
Balances with banks			
- On current accounts	**218.83**	200.22	147.23
- Deposit accounts (Original maturity upto 3 months)	**1,215.00**	1095.00	1225.00
Cheques on hand / remmittance in transit	**36.00**	106.03	100.16
Cash on hand	**0.01**	0.01	0.01
	1,469.84	1,401.26	1,472.40
13 Bank balances other than cash and cash equivalent			
Unpaid dividend account	**2.66**	2.47	2.67
	2.66	2.47	2.67

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
14 Inventories (valued at lower of cost and net realisable value)			
Raw materials and components	**711.84**	850.87	629.22
Work-in-progress	**209.29**	302.19	186.89
Finished goods	**81.03**	75.58	80.84
Traded goods	**26.10**	32.50	29.67
Stores and spares	**1.46**	2.51	1.23
	1,029.72	1,263.65	927.85

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
15 Others current assets			
Prepaid expenses	**34.85**	29.82	24.51
Advances recoverable in cash or kind	**28.69**	93.97	31.46
Balance with government authorities	**222.71**	290.49	200.60
Taxes and duties recoverable	**56.30**	95.67	48.43
Other receivables	**32.18**	37.12	30.26
	374.73	547.07	335.26

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

16 Equity

	March 31, 2019		March 31, 2018		December 31, 2018	
Share capital						
	Equity shares		Equity shares		Equity shares	
	Numbers	**(₹ in Crores)**	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
Authorised share capital						
At December 31, 2018	**21,25,00,000**	**42.50**	21,25,00,000	42.50	21,25,00,000	42.50
At March 31, 2019	**21,25,00,000**	**42.50**	21,25,00,000	42.50	21,25,00,000	42.50
	Preference shares		Preference shares		Preference shares	
	Numbers	**(₹ in Crores)**	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
11% Redeemable 10 years, cumulative preference shares						
At December 31, 2018	**7,50,000**	**7.50**	7,50,000	7.50	7,50,000	7.50
At March 31, 2019	**7,50,000**	**7.50**	7,50,000	7.50	7,50,000	7.50
Issued equity share capital						
Equity shares of ₹ 2 each issued, subscribed and fully paid	**Numbers**	**(₹ in Crores)**	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
At December 31, 2018	**21,19,08,375**	**42.38**	21,19,08,375	42.38	21,19,08,375	42.38
At March 31, 2019	**21,19,08,375**	**42.38**	21,19,08,375	42.38	21,19,08,375	42.38

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
17 Other equity			
a) Securities premium account			
Opening balance	**60.00**	60.00	60.00
Closing balance	**60.00**	60.00	60.00
b) Surplus in the statement of profit and loss			
Opening balance	**798.11**	397.69	397.68
Net profit for the year	**116.19**	102.49	510.89
Other comprehensive income/ (loss) (net of tax)	**3.24**	10.97	1.95
Less: Appropriations during the year			
Equity dividend paid	**-**	-	93.24
Tax on equity dividend paid	**-**	-	19.17
Balance as at	**-**	-	112.41
Closing balance	**917.54**	511.15	798.11
c) Employee stock options reserve			
Opening balance	**0.07**	0.03	0.07
Add: Employee compensation expense for the year	**-**	0.04	-
Closing balance	**0.07**	0.07	0.07
d) Debenture redemption reserve			
Opening balance	**-**	150.00	150.00
Add : Transferred during the year	**-**	-	(150.00)
Closing balance	**-**	150.00	-
Other reserves			
e) Capital reserve			
Opening balance	**1.10**	1.10	1.10
Closing balance	**1.10**	1.10	1.10
f) Capital redemption reserve			
Opening balance	**7.50**	7.50	7.50
Closing balance	**7.50**	7.50	7.50

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
g) General reserve			
Opening balance	**3,098.16**	2,948.16	2,948.16
Add : Transferred during the year	**-**	-	150.00
Closing balance	**3,098.16**	2,948.16	3,098.16
Total other equity	**4,094.14**	3,677.98	3,964.94

Nature and purpose of other reserves

a) Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

b) Employee stock option reserve
The share options outstanding account is used to recognise the grant date fair value of the options issued to employees under Employee Share Acquisition Plan schemes.

c) Debenture redemption reserve
The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

d) Capital reserve
Capital reserve pertains to acquisitions in the earlier years.

e) Capital Redemption reserve
The Company had transferred to Capital Redemption reserve, a sum equal to the nominal amount of preference shares to be redeemed out of the profits available for distribution as dividend.

f) General Reserve
General reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be subsequently reclassified to statement of profit and loss.

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
18 Borrowings						
(At amortized cost)						
Secured:						
Finance lease obligations	**2.03**	4.14	2.03	**-**	-	-
	2.03	4.14	2.03	**-**	-	-

Note:
The debentures are repayable after 3 years from the date of allotment being September 4, 2015. The debentures carry interest rate of MIBOR plus 80 basis points. The proceeds have been utilized towards working capital and other corporate purposes including refinancing of Company's debt.

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
19 Other financial liabilities						
Security deposits received	**3.52**	3.96	3.49	**0.04**	0.08	0.04
Interest accrued but not due on long-term borrowings	**-**	**-**	**-**	**-**	3.25	-
Unpaid Dividends	**-**	**-**	**-**	**2.66**	2.47	2.67
Employee related payables	**-**	**-**	**-**	**89.21**	69.90	75.16
Mark to market loss on embeded derivatives*	**-**	**-**	**-**	**8.43**	26.76	9.90
Mark to market loss on forward contracts*	**-**	**-**	**-**	**33.58**	24.37	23.59
Current maturities of long term borrowings	**-**	**-**	**-**	**-**	600.00	-
Current maturities of finance lease liablities	**-**	**-**	**-**	**4.89**	4.21	4.89
Other payables	**-**	**-**	**-**	**301.66**	555.53	287.13
	3.52	3.96	3.49	**440.47**	1,286.57	403.38

* At fair value through profit and loss

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
20 Provisions						
Provisions for employee benefits						
Gratuity	**-**	-	-	**15.32**	(2.18)	4.08
Provident fund	**-**	-	-	**11.69**	11.71	-
Leave benefits	**-**	-	-	**31.05**	39.79	25.75
Other provisions						
Warranties	**-**	-	-	**88.49**	151.06	86.40
Loss orders	**-**	-	-	**16.33**	27.66	17.33
Litigations	**-**	-	-	**0.57**	1.09	0.57
Sales tax	**32.29**	42.43	32.29	**24.26**	49.44	23.72
Provision for income tax (net)	**-**	-	-	**75.53**	22.21	75.53
	32.29	42.43	32.29	**263.24**	300.78	233.38

Nature of provisions:

i) Warranties: The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at September 30, 2018 represents the amount of the expected cost based on technical evaluation and past experience of meeting such obligations. It is expected that this expenditure will be incurred over the contractual warranty period.

ii) Loss orders: A provision for expected loss on construction contracts is recognised when it is probable that the contract costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

iii) Provision for litigation represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters in litigation. The outflow would depend on the cessation of the respective events.

iv) Provision for sales tax represents mainly the differential sales tax liability on account of non – collection of declaration forms. The outflow would depend on the cessation of the respective events.

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
21 Trade Payables			
Dues to micro and small enterprises	**177.49**	101.55	123.80
	177.49	101.55	123.80
Dues to creditors other than micro and small enterprises			
Acceptances	**502.39**	729.49	431.87
Other trade payables	**1409.64**	2,007.94	1318.84
	1,912.03	2,737.43	1,750.71
	2,089.52	2,838.98	1,874.51

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
22 Other liabilities			
Billing in excess of contract revenue	**99.96**	213.48	133.40
Statutory dues payable	**0.40**	74.67	18.37
Advance from customer	**228.11**	708.27	230.78
Deferred revenue	**-**	11.71	1.65
Other payables	**14.87**	23.81	13.56
	343.34	1,031.94	397.76

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
23 Revenue from operations (net)			
Sale of products and services			
Sale of products	**1,739.00**	1,448.37	6,242.91
Sale of services	**89.30**	102.71	370.45
	1,828.30	1,551.08	6,613.36
Other operating revenues			
Scrap sales	**9.45**	2.37	13.01
Commission income	**0.81**	0.61	2.38
Income from development services	**6.59**	5.02	29.81
Miscellaneous income	**5.10**	7.38	31.56
	21.95	15.38	76.76
Revenue from operations (net)	**1,850.25**	1,566.46	6,690.12
24 Other income			
Finance income			
Interest income:			
Interest on security deposit	**0.11**	0.22	0.83
Interest on retention	**-**	1.21	3.38
Interest from deposits with bank	**16.14**	15.86	42.73
Interest from long-term investments	**-**	-	0.01
	16.25	17.29	46.95
Other income			
Mark to market fair value change in investment	**-**	4.37	12.22
Interest income - on tax refunds etc.	**0.04**	0.04	0.33
Income from sale of revenue contracts	**-**	-	10.50
Profit on sale of divestment	**-**	-	14.01
Profit on sale of fixed assets (net)	**2.83**	1.11	-
	2.87	5.52	37.06
	19.12	22.81	84.01

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
25 Cost of materials consumed			
Raw material and components consumed			
Inventory at the beginning of the year	**629.22**	468.74	468.74
Add : Purchases during the year	**1,140.48**	1,055.34	3,916.10
Less : Inventory at the end of the year	**711.84**	630.57	629.22
Cost of raw materials consumed	**1,057.86**	893.51	3,755.62
Cost of traded goods sold			
Inventory at the beginning of the year	**29.67**	27.29	27.29
Add : Purchases during the year	**184.04**	127.03	582.11
Less : Inventory at the end of the year	**26.10**	32.22	29.67
Cost of traded goods sold	**187.61**	122.10	579.73
26 Purchases of traded goods			
Motors and other machines	**20.32**	18.53	113.34
Switchgears	**0.80**	0.90	6.40
Power invertors	**1.24**	0.53	2.17
Others	**161.68**	107.07	460.20
	184.04	127.03	582.11
27 Changes in inventories of finished goods, traded goods and work-in-			
Opening stock			
- Finished goods	**80.84**	56.66	56.66
- Work-in-progress	**186.89**	163.07	163.07
- Traded goods	**29.67**	27.29	27.29
	297.40	247.02	247.02
Closing stock			
- Finished goods	**81.03**	61.73	80.84
- Work-in-progress	**209.29**	154.66	186.89
- Traded goods	**26.10**	32.22	29.67
	316.42	248.61	297.40
	(19.02)	(1.59)	(50.38)

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
28 Employee benefit expenses			
Salaries, wages and bonus	**119.89**	108.96	454.69
Gratuity	**10.75**	11.57	1.43
Provident fund	**12.10**	8.93	9.56
Contribution to superannuation and other funds	**3.86**	3.96	15.85
Staff welfare expenses	**8.57**	10.19	37.96
Training, recruitment and transfer expenses	**2.30**	1.79	10.01
	157.47	145.40	529.50
29 Depreciation and amortisation expense			
Depreciation of tangible assets	**22.32**	21.51	88.65
Amortisation of intangible assets	**0.99**	1.03	4.11
	23.31	22.54	92.76
30 Finance costs			
Interest expenses	**1.76**	18.33	41.44
Bill discounting and other charges	**0.83**	1.02	11.14
Interest expense on provisions measured at amortised cost	**0.05**	0.50	1.32
	2.64	19.85	53.90

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
31 Other expenses			
Consumption of stores and spares	**3.21**	2.85	12.56
Packing expenses	**5.64**	6.08	24.79
Royalty and technology fees	**54.83**	46.72	174.51
Freight and forwarding	**24.23**	19.09	99.14
Postage and telephone	**0.98**	1.35	3.87
Commission (other than sole selling agent)	**0.48**	1.30	5.34
Power and fuel	**4.75**	4.46	21.87
Travelling and conveyance	**21.95**	22.84	86.98
Insurance	**2.22**	2.23	10.21
Rates and taxes	**2.19**	(10.71)	(13.94)
Rent	**6.92**	9.96	33.42
Repairs :			
Buildings	**1.24**	1.87	6.31
Plant and machinery	**4.84**	4.52	17.89
Others	**0.72**	0.71	3.97
Provision for doubtful debts and advances (net)	**(14.13)**	(0.69)	24.34
Bad debts / advances written off	**1.63**	1.71	68.68
Loss on sale of fixed assets (net)	**-**	-	2.12
Printing and stationery	**0.96**	0.86	3.44
Bank charges	**2.61**	2.74	6.32
CSR expenditure	**-**	-	9.48
Legal and professional	**12.44**	13.74	56.35
Auditor's remuneration	**0.70**	0.96	2.49
Trade-mark fees	**21.16**	14.83	68.22
Information technology expenses	**55.02**	41.20	193.44
Exchange rate difference - loss (net)	**0.87**	9.87	44.11
Director's fees and commission	**0.05**	0.02	0.98
Services from third parties	**22.61**	18.70	80.89
Testing and inspection charges	**1.63**	1.80	10.58
Seminar and publicity expenses	**1.04**	3.86	14.79
Group management fees etc.	**22.72**	23.05	87.34
Miscellaneous	**17.06**	7.54	28.67
	280.57	253.48	1,189.18

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018

32 Discontinued operations

Disposal of powergrid business

On 17th December 2018, ABB Limited, Zurich announced the sale of its Global Power Grids Business to Hitachi. Further to the global announcement, in the Board meeting held on 13th February, 2019 the Board granted in-principle approval for the segregation of the Company's Power Grid's business from the other business of the Company. Consequently, in pursuant to the requirements of Ind AS 105 – Non Current Assets Held for Sale and Discontinued Operations, the Company has classified the assets and liabilities as at 31st December 2018 pertaining to the Power Grids Business as Assets / Liabilities held for sale and measured the same at lower of cost and fair value (fair value less costs to sell). The results of Power Grid business are presented in results from discontinued operations in the current and prior periods presented.

The financial performance and cash flows for powergrid business:

	March 31, 2019	March 31, 2018	December 31, 2018
(a) Analysis of profit from discontinued operations			
Income			
Revenue from operations	**894.84**	959.02	4,171.77
Other income	**0.03**	4.10	13.21
Total income	**894.87**	963.12	4,184.98
Expenses			
Cost of raw materials, components consumed and project bought outs	**476.23**	547.00	2,383.73
Purchases of traded goods	**0.49**	3.66	1.25
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	**(11.34)**	7.62	(33.99)
Subcontracting charges	**78.29**	86.70	320.18
Employee benefit expenses	**86.67**	73.00	299.78
Depreciation and amortisation expense	**13.59**	13.07	53.02
Finance costs	**7.76**	3.30	22.79
Other expenses	**200.76**	141.56	739.12
Total expenses	**852.45**	875.91	3,785.88
Profit before tax	**42.42**	87.21	399.10
Tax expense:	**15.25**	30.31	142.40
Profit after tax	**27.17**	56.90	256.70

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
(b) Net cash flows attributable to the discontinued operations			
Net cash (outflows) / inflows from operating activities	**0.49**	-	456.06
Net cash used in investing activities	**(147.11)**	-	(58.87)
Net cash (outflows) / inflows from financing activities	**184.32**	-	(446.28)
Net cash outflows	**37.70**	-	(49.09)
(c) Book value of assets and liabilities of discontinued operations			
Property, plant and equipment and intangible assets (including CWIP)	**569.14**	423.20	435.70
Non-current financial assets	**6.09**	6.09	6.09
Other non-current assets	**66.38**	50.62	39.85
Inventories	**469.59**	383.27	419.36
Trade receivables	**1,428.93**	1,067.66	1,399.95
Cash and cash equivalents	**31.25**	42.41	(6.46)
Current financial assets	**273.01**	493.00	379.38
Other current assets	**110.08**	205.87	128.35
Total assets (A)	**2,954.47**	2,672.12	2,802.22
Non-current financial liabilities - provisions	**9.76**	9.76	9.76
Trade payables	**1,071.63**	1,045.48	1,180.58
Other financial liabilities	**235.90**	187.10	202.69
Other current liabilities	**624.14**	598.02	580.73
Current liabilities - provisions	**156.19**	113.76	148.98
Total liabilities (B)	**2,097.62**	1,954.12	2,122.74
Net Assets (A - B)	**856.85**	718.00	679.48

33 Earning per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations

a) Profit after tax			
From continuing operations	**89.02**	45.60	254.19
From discontinued operations	**27.17**	56.89	256.70
b) Profit attributable to equity shareholders	**116.19**	102.49	510.89
c) Weighted average number of Equity Shares outstanding during the year	**21,19,08,375**	21,19,08,375	21,19,08,375
d) Nominal value of shares (in ₹)	**2.00**	2.00	2.00
e) Earnings per share- Basic and diluted (in ₹)			
From continuing operations (in ₹)	**4.20**	2.15	12.00
From discontinued operations (in ₹)	**1.28**	2.68	12.11
From continuing and discontinued operations (in ₹)	**5.48**	4.84	24.11

Annexure XI

This is an Abridged Prospectus containing information pertaining to ABB Power Products and Systems India Limited **("Company")** which is being issued in compliance with Annexure I, Paragraph 3(a) of circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, issued by the Securities and Exchange Board of India in relation to a scheme of arrangement between ABB India Limited **("INABB")** and the Company, their respective shareholders and creditors. You are encouraged to read greater details about the Company and proposed business of the Company included in the scheme of arrangement approved by the Board of Directors of INABB and the Company on March 5, 2019, available on the websites of the BSE Limited and the National Stock Exchange of India Limited and investor presentations and corporate disclosures issued by INABB available at www.abb.co.in. This Abridged Prospectus does not purport to include complete information of the Company, including its business, operations, assets and liabilities. For further details see "Any other important information as per Lead Manager/Issuer Company" of this Abridged Prospectus.

Nothing in this Abridged Prospectus constitutes an offer or an invitation by or on behalf of either the Company or INABB to subscribe for or purchase any of the securities of the Company.

THIS ABRIDGED PROSPECTUS CONTAINS 8 PAGES.
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

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

Contact Person: Mr T.K. Sridhar; **Tel**: +91 80 2294 9150;
Email:sridhar.tk@in.abb.com; **Website**: www.abb.co.in
Corporate Identity Number: U31904KA2019PLC121597

OUR PROMOTER(S)*: ABB ASEA BROWN BOVERI LTD

*Promoter of the Company post-effectiveness of the Scheme.

SCHEME DETAILS, LISTING AND PROCEDURE

The proposed issue of equity shares of the Company is pursuant to a scheme of arrangement filed under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst INABB and the Company, their respective shareholders and creditors, as approved by the board of directors of INABB and the Company on March 5, 2019 ("**Scheme**") pursuant to which the PG Business (as defined below) will be transferred by INABB to the Company; in exchange for which the shareholders of INABB will receive equity shares of the Company ("**Equity Shares**") as per the share entitlement ratio set out in the Scheme (i.e. 1 fully paid up Equity Share of Rs. 2 each of the Company shall be issued and allotted for every 5 fully paid up equity shares of Rs. 2 each held in INABB).

Accordingly there shall be no price band or minimum bid lot size applicable to the proposed issue of Equity Shares. The Equity Shares are proposed to be listed on the BSE Limited and the National Stock Exchange of India Limited (collectively the "**Stock Exchanges**").

PROCEDURE

Pursuant to the provisions of the Scheme, post receipt of approval of the National Company Law Tribunal **("NCLT")** and upon filing the certified copies of the sanction order(s) of the NCLT approving the Scheme with the Registrar of Companies, the Company shall issue and allot Equity Shares to the shareholders of INABB as per the share entitlement ratio set out in the Scheme, as on the record date to be mutually finalized by the board of directors of INABB and the Company. The Equity Shares so allotted shall be listed on the Stock Exchanges pursuant to an exemption application under rule 19(7) of the Securities Contracts (Regulation) Rules, 1957 **("SCRR")** for relaxation of strict application of rule 19(2)(b) of the SCRR, with the Stock Exchanges.

This being an issue and allotment of Equity Shares pursuant to the Scheme, the procedures set out under the General Information Document will not be applicable.

ELIGIBILITY FOR THE ISSUE

Since the Equity Shares shall be allotted pursuant to the provisions of the Scheme, eligibility conditions under Regulations 6(1) and 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable. Persons who are shareholders of INABB as on the record date to be mutually finalized by the Board of Directors of INABB and the Company, post effectiveness of the Scheme shall be eligible to receive Equity Shares of the Company, pursuant to the provisions of the Scheme.

INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme, and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including, the NCLT, the time frame cannot be established with certainty.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest their funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Company and the Scheme, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Abridged Prospectus. Specific attention of the investors is invited to the section titled "Internal Risk Factors" at page 6 of this Abridged Prospectus.

PRICE INFORMATION OF LEAD MANAGER

Not Applicable

(Since this is an issue and allotment of Equity Shares to shareholders of INABB pursuant to the Scheme)

NAME OF LEAD MANAGER

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020
Maharashtra
Tel: +91 22 2288 2460
E-mail: anurag.byas@icicisecurities.com/sameer.purohit@icicisecurities.com
SEBI Registration No: INM000011179

Name of Statutory Auditor - BSR & Co. LLP
Registrar - Not applicable for the purpose of the Scheme. The Company will appoint a registrar at the time of listing of Equity Shares.
Syndicate Members - Not applicable
Credit Rating Agency - Not applicable

Debenture trustee - Not applicable
Self-Certified Syndicate Banks - Not applicable
Non-Syndicate Registered Brokers - Not applicable

PROMOTERS OF ISSUER COMPANY

Promoter as on the date of the Abridged Prospectus:

The Company is a wholly owned subsidiary of INABB. However, after the effectiveness of the Scheme, INABB and its nominees shall cease to be shareholders of the Company.

INABB is a pioneering technology leader headquartered in Bangalore. It is listed on the BSE Limited and the National Stock Exchange of India Limited. It provides a comprehensive offering for digital industries with four customer-focused, globally leading businesses: Electrification, Industrial Automation, Motion, and Robotics and Discrete Automation, supported by its common ABB Ability™ digital platform. Additional information is available at INABB's website at www.abb.co.in.

Upon effectiveness of the Scheme:

The promoter of the Company shall be ABB Asea Brown Boveri Ltd, Zurich, Switzerland. ABB Asea Brown Boveri Ltd is a limited liability company duly established under the laws of Switzerland. with principal offices at affolternstrasse 44, CH-8050 Zurich, Switzerland. It is the only subsidiary of ABB Ltd., the ABB Group's ultimate parent company, and directly or indirectly owns or controls all of the other companies in the ABB Group. ABB is pioneering technology leader with a comprehensive offering for digital industries. With history of innovation spanning more than 130 years, ABB is today a leader in digital industries with four customer-focused, globally leading businesses: Electrification, Industrial Automation, Motion and Robotics & Discrete Automation, supported by its common ABB Ability™ digital platform. ABB operates in more than 100 countries with about 147,000 employees. The shares of ABB Ltd are currently listed on the SIX Swiss Exchange, the NASDAQ OMX Exchange and the New York Stock Exchange (in the form of American Depositary Shares).

INABB is a group company of ABB Ltd.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

As on the date of this Abridged Prospectus, the Company has not undertaken business operations.

Pursuant to the Scheme, the power grids business **("PG Business")** of INABB, i.e., the business of the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of: (a) power grids automation, (b) power grids integration, (c) high voltage products and (d) transformers, in each case, presently being undertaken by INABB, will be demerged into the Company with an appointed date of April 1, 2019 or such other date as the NCLT may direct/allow. For details of the rationale for the Scheme, please refer to the Scheme.

The PG Business being demerged into the Company provides product, system, software and service solutions across the power value chain that are designed to meet the growing demand for electricity with minimum environmental impact. The portfolio includes grid integration, transmission, distribution and automation solutions and a complete range of high-voltage products and transformers. These solutions support utility, industry and transport and infrastructure customers to plan, build, operate and maintain their power infrastructure. They are designed to facilitate the safe, reliable and efficient integration, transmission and distribution of bulk and distributed energy generated from conventional and renewable sources.

For further details, please refer to financial statements, investor presentations and corporate disclosures issued by INABB, which are available at https://new.abb.com/investorrelations/financial-results-and-presentations/quarterly-results-and-annual-reports.

The strengths of the Company, post effectiveness of the Scheme and commencement of operations are expected to be :

- A deep presence in evolving markets – The market in which the Company will operate is rapidly expanding. The growth is driven by increasing adoption of renewable energy, rising energy demand in emerging countries and the expansion of distributed power sources such as electric vehicles and storage batteries and the-deregulation of the electric power sector in multiple countries and regions.
- Long standing presence of the PG Business – The PG Business has a proven track record of pioneering technology like HVDC transmission-accounting for a significant proportion of the world's installed base. It is also one of the market leaders in high-voltage products and substation solutions and the largest manufacturer of transformers.
- Access to strong human resources, technical skills and technology.

The strategies of the Company, post effectiveness of the Scheme and commencement of operations are expected to be:

- Focus on solutions for technology disruptions in the sector
- Continued leverage of solid base in research and development and engineering
- Participation in nation building programs for grid reliability

BOARD OF DIRECTORS*

Sr. No	Name	Designation	Experience including current and past positions
1	Sanjeev Sharma	Director	Sanjeev Sharma is the Managing Director of INABB and the Chairman and Managing Director of ABB Global Industries and Services Private Limited. He has managed various local business units and divisions in India, Switzerland, Germany and Malaysia.
2	T.K. Sridhar	Director	T.K. Sridhar is the Chief Financial Officer of INABB and has held various financial functions across various businesses of INABB. He had played key role in de-risking large projects and optimizing operations, including deployment of information services for supply chain management.
3	B. Gururaj	Director	B. Gururaj is the General Counsel and Head of Legal and Integrity and Company Secretary of INABB. He has worked as Company Secretary of listed companies and has approximately three decades of experience in legal and corporate matters.

***Note:** The Board of Directors of the Company will be reconstituted in compliance with the provisions of Companies Act, 2013, as amended, applicable to listed companies and in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, prior to filing of the application for final listing and trading approvals by the Company with the Stock Exchanges for listing of the Equity Shares.

OBJECTS/RATIONALE OF THE SCHEME

The rationale for the Scheme is to inter-alia realign INABB's business to focus, simplify and lead in digital industries for enhanced customer value and shareholder returns which includes the separation of INABB's portfolio of digital industries from its traditional, long gestation, projects led, business of power grids. For further details, please refer to the Scheme.

Details of means of finance - Not applicable as the Company is not raising any funds through the proposed issue of Equity Shares pursuant to the Scheme.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any of the Company in the preceding 10 years – Not applicable

Name of monitoring agency, if any – Not applicable

Terms of Issuance of Convertible Securities, if any – Not applicable

SHAREHOLDING PATTERN

1. SHAREHOLDING AS ON DATE OF THIS ABRIDGED PROSPECTUS

Sr. No.	Particulars	Pre-issue Equity Shares (face value of Rs.2 each)	Percentage holding of pre-issue (%)
A.	**Promoter and Promoter Group**		
	ABB India Limited*	50,000	100
	ABB Asea Brown Boveri Ltd	Nil	Nil
B.	**Public Shareholding**	Nil	Nil
	Total (A) + (B)	**50,000**	**100**

*Six Equity Shares are held by nominees on behalf of ABB India Limited.

2. SHAREHOLDING UPON EFFECTIVENESS OF THE SCHEME:

Sr. No.	Particulars	No. of equity shares (Post-Scheme) (face value of Rs.2 each)	Percentage holding of post issue (%)
A.	**Promoter and Promoter Group**		
	ABB India Limited**	Nil	Nil
	ABB Asea Brown Boveri Ltd	31,786,256	75
B.	**Public Shareholding**	10,595,419	25
	Total (A+B)	**42,381,675**	**100**

**Upon effectiveness of the Scheme, the Equity Shares held by ABB India Limited in the Company shall stand cancelled.

Number/amount of equity shares proposed to be sold by selling shareholders, if any – Not applicable

UNAUDITED FINANCIALS FOR THE PERIOD FROM INCEPTION TO MARCH 31, 2019

A. Standalone Financial Statements

(Amounts in Rs.)

Sr. No.	Particulars	From inception to March 31, 2019
1	Total income from operations (net)	Nil
2	Net Profit/(Loss) before tax and extraordinary items	Nil
3	Net Profit/(Loss) after tax and extraordinary Items	Nil
4	Equity Share Capital	100,000
5	Reserves and surplus	Nil
6	Net worth	100,000
7	Basic earnings per share (Rs.)	Nil
8	Diluted earnings per share (Rs.)	Nil
9	Return on net worth (%)	Nil
10	Net asset value per share (In Rs.)	Nil

Pursuant to Section 96 of the Companies Act, 2013, the Company being a newly incorporated Company, has time until December 31, 2020 to hold its first annual general meeting where the first financial statements of the Company shall be placed. Accordingly, the Company has not prepared audited financial statements for the period between February 19, 2019 till March 31, 2019.

The PG Business being demerged into the Company is part of the financial statements of INABB and is reported separately. The reported financial statements of INABB is available on the website of the BSE Limited and National Stock Exchange of India Limited and on the website of INABB respectively.

Further, the Company does not have any subsidiaries for consolidation purposes.

INTERNAL RISK FACTORS

1. **The Company is newly incorporated and does not possess experience in operating the PG Business post-effectiveness of the Scheme.**

   The Company is a newly incorporated company and it does not have any experience in operating the PG Business. While post-effectiveness of the Scheme, experienced personnel in the PG Business will be transferred to the Company, the company may be unable to effectively integrate the PG Business, and efficiently operate the business of the Company, thereby adversely impacting the results of the Company's operations and profitability of the business. Additionally, upon completion of the Scheme, INABB will be required to effect transfer of, inter alia, properties, approvals, employees and intellectual property of the PG Business to our Company. Any inability to effect such transfers in a timely manner may materially impact the ability of the Company to commence and undertake business operations, in compliance with applicable laws.

2. **There is no guarantee that the necessary approvals and sanctions for completion of the Scheme will be received in time.**

   The completion of the Scheme is subject to receipt of various approvals, including from shareholders and creditors of INABB and the Company, regulatory authorities and the NCLT. In the event that these approvals are not received, INABB may be unable to effect the transfer of the PG Business to the Company, which will result in the Company's inability to commence business operations as envisaged.

3. **The audited financial position of the Company would be available only after the completion of the first annual general meeting of the Company, post-effectiveness of the Scheme.**

   Pursuant to the Scheme, both assets and liabilities of the PG Business of INABB shall be transferred to the Company. However, the audited financials of the Company shall be available to investors only after the first annual general meeting, post-effectiveness of the Scheme. Accordingly, during the interim period, investment decisions in relation to the Company shall have to be based on interim unaudited financial statements or previous financial information of the PG business being demerged from INABB.

4. **There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all. Further, once listed, there is no guarantee that there will be a liquid market for the Equity Shares.**

   In accordance with Indian law, permission for listing and trading of Equity Shares will not be granted until after certain actions have been completed in relation to the issue and until the allotment of the Equity Shares pursuant to the Scheme. The Company cannot assure you that it will be able to list the Equity Shares. Further, there is no public market for the Equity Shares prior to the allotment and an active public market for the Equity Shares may not develop or sustain after the alltment of Equity Shares. Listing of the Equity Shares does not guarantee that a trading market for the Equity Shares will develop. Accordingly, prospective shareholders should be prepared to hold their Equity Shares for an indefinite period of time.

5. **Changes in government policies and other macro-economic factors can adversely impact the Company's business.**

   Changes in the government policies and other macro-economic factors including a slowdown in government investments in the power sector, any significant reductions in incentives for renewable energy expansion in India, poor financial health of the transmission and distribution sector and State Electricity Boards, unfavorable terms and conditions of government contracts, as revised from time to time etc. can impact the Company's business and operations.

6. **The power grids industry is intensely competitive and post-effectiveness of the Scheme, our inability to compete effectively may adversely affect the PG Business, results of operations and financial condition.**

   The power grids business is highly competitive. Post-effectiveness of the Scheme, our competitors in the power grids business may succeed in developing products/services that are more effective, popular or cheaper than the Company's, which may render the Company's products uncompetitive and adversely affect our business, results of operations and financial condition of the Company.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

As on the date of this Abridged Prospectus, the Company does not have any outstanding litigations, claims and regulatory actions. However, upon the Scheme becoming effective, the outstanding litigations in relation to the PG Business of INABB shall be transferred to the Company.

Total number of outstanding litigations against the PG Business proposed to be transferred to the Company and amount involved:

Post Effectiveness of the Scheme, outstanding litigations involving the PG Business of INABB shall stand transferred to the Company. The PG Business of INABB has 24 outstanding proceedings. The total amount in all the proceedings, wherever quantifiable is approximately Rs. 825.35 million.

A. Brief details of top material outstanding litigations against the Company and amount involved:

The top material* litigation(s) against the PG Business of INABB, which shall stand transferred to the Company are as disclosed below.

*Outstanding civil litigations involving the PG Business for which the monetary claim is in excess of 1% of the total net worth of INABB (i.e. claims in excess of Rs. 393.86 million) have been considered 'material' for the purpose of disclosure in this Abridged Prospectus. The networth of INABB as on December 31, 2018 was Rs. 39,386.50 million.

Further, there are no criminal cases involving the PG Business, and other than as disclosed below, there are no regulatory proceedings involving the PG Business.

Sr. No.	Particulars	Opposite Party	Current Status	Amount Involved (In Rs. million)
1	INABB had initiated arbitration proceedings against the Telangana State Central Power Distribution Corporation Limited **("TSCPDCL")** for recovery of dues under a contract in relation to the 'Andhra Pradesh Energy Efficiency Project – Hyderabad Integrated SCADA Project'. The arbitral tribunal pursuant to its award dated December 30, 2015 **("Award")** partially allowed the claim of INABB and rejected the counter claim of TSCPDCL. Aggrieved by the Award rejecting its counter claim, TSCPDCL filed an application bearing no. OP 66 of 2016 under Section 34 of the Arbitration and Conciliation Act, 1996 before the City Civil Court, Hyderabad challenging the Award. The matter is currently pending.	Telangana State Central Power Distribution Corporation Limited	This case is pending.	472.49
2	In a regulatory matter involving the National Thermal Power Corporation **("NTPC")**, the Tahsildar South, Solapur, Maharashtra levied a penalty of Rs.58.18 million by order dated July 3, 2015 on INABB for alleged violation of Section 48 (7) of the Maharashtra Land Revenue Code, 1966, Sections 19 and 21 of the Mine and Mineral Act, 1955 and Section 379 of Indian Penal Code, 1860 in relation to alleged illegal excavation, transportation and usage of minor minerals without prior permission of the Government, alleged non-payment of royalty prescribed by the Government and alleged stealing of Government property. An appeal was preferred before the Sub-Divisional Officer challenging the order dated July 3, 2015. The appeal of INABB was dismissed and the amount towards penalty was increased to Rs. 177.45 million on account of miscalculation of the penalty calculated by the Tahsildar. Aggrieved, INABB has preferred Revision before the Divisional Commissioner, Pune challenging the order dated July 3, 2015 and order dated January 16, 2016.	1. State of Maharashtra through Department Secretary, Revenue and Forest Department; 2. Collector, Solapur; 3. Sub-divisional officer, Solapur; and 4. Tahsildar, Solapur	This case is pending.	177.45

B. Regulatory Action, if any, including any disciplinary action taken by SEBI or Exchanges against the promoters/ group companies in last 5 financial years including outstanding action, if any

No regulatory proceedings other than as disclosed above.

C. Brief details of outstanding criminal proceedings against Promoters:

Nil

ANY OTHER IMPORTANT INFORMATION AS PER MERCHANT BANKER/COMPANY

Please note that the Company has been newly incorporated and has not commenced business operations as on the date of this Abridged Prospectus. The proposed business operations of the Company, post-effectiveness of the Scheme shall comprise of the PG Business to be demerged from INABB. For details in relation to the PG Business shareholders should refer to the Scheme available on the websites of the BSE Limited and the National Stock Exchange of India Limited and financial statements, investor presentations and corporate disclosures issued by INABB, which are available at https://new.abb.com/indian-subcontinent/investors.

This Abridged Prospectus does not include the complete information of the Company, including its business, operations, assets and liabilities. Nothing in this Abridged Prospectus constitutes an offer or an invitation by or on behalf of either the Company or INABB to subscribe for or purchase any of the securities of the Company.

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further clarify that all statements in this Abridged Prospectus are true and correct.

Place: Bengaluru

Date: 3rd July, 2019

Annexure XII

FORM NO. GNL-1

[Pursuant to rule 12(2) of the Companies (Registration offices and Fees) Rules,2014]

सत्यमेव जयते

Form for filing an application with Registrar of Companies

Form language (•) English ( ) Hindi

Note - All fields marked in * are to be mandatorily filled.

1. * Category of applicant: Company

2. * Name of office of the registrar of Companies (RoC) to which application is being made: Registrar of Companies, Karnataka

3. (a) Corporate identity number (CIN) or foreign company registration number (FCRN) of the company or RUN reference number (Service request number (SRN) of RUN): L32202KA1949PLC032923 [Pre-fill]

   (b) Global location number (GLN) of company:

4. (a) Name of the company: ABB INDIA LIMITED

   (b) Address of the registered office or of the principal place of business in India of the Company: 21ST FLOOR, WORLD TRADE CENTER,BRIGADE GATEWAY, NO.26/1, DR. RAJKUMAR ROAD, MALLESHWARAM WEST. BENGALURU Bangalore Karnataka 560055

   (c) e-mail ID of the company: b.gururaj@in.abb.com

5. Details of applicant (in case category is others)

   (a) Name
   (b) Address Line I
   Line II
   (c) City
   (d) State
   (e) ISO country code
   (f) Country
   (g) Pin code
   (h) e-mail ID

6. *Application filed for

   ( ) Compounding of offences
   ( ) Extension of period of annual general meeting by three months
   (•) Scheme of arrangement, amalgamation
   ( ) Others

7. If Others, then specify

8. *Details of application

Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors.

9. In case of application for compounding of offences, provide the following details

(a) Whether application for compounding offence is filed in respect of

☐ Company ☐ Director ☐ Manager or Secretary or CEO or CFO ☐ Other

(b) Number of person(s) for whom the application is being filed

(c) Details of person(s) for whom the application is being filed

(i) Category | Director identification number (DIN) or income-tax permanent account number (income-tax PAN) or passport number | Pre-fill
Name

(ii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(iii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(iv) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(v) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(vi) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(vii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(viii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(d) Whether application is being filed

◯ Suo-motu ◯ In pursuance to notice received from RoC or any other competent authority

(e) Notice number and date of notice

(f) Section for which application is being filed

(g) Brief particulars as to how the default has been made good

10. In case of application is made for extension of period of an AGM, mention financial year end date in respect of which the application is being filed (DD/MM/YYYY)

11.(a) Service request number of Form MGT-14

(b) Date of passing special or ordinary resolution (DD/MM/YYYY)

(c) Date of filing form MGT-14 (DD/MM/YYYY)

12. Total amount of stamp duty paid or stamp paper

Attachments

List of attachments

1. Board Resolution	Attach	Extract from Minutes- Demerger.pdf INABB Scheme of Arrangement.pdf NCLT Petition.pdf INABB-Aknowledgement from ROC for NCLT Appli
2. Scheme of arrangement, amalgamation	Attach	
3. *Detailed application	Attach	
4. Copy of notice received from RoC or any other competent authority	Attach	
5. Other attachments - if any	Attach	

Remove Attachment

Verification

To the best of my knowledge and belief, the information given in this application and its attachments is correct and complete.

☒ I have been authorised by the Board of directors' resolution number 1 dated 05/03/2019 (DD/MM/YYYY) to sign and submit this application.

☐ I am duly authorised to sign and submit this form.

To be Digitally signed by

Managing Director or director or manager or secretary or CEO or CFO (in case of an Indian company or an authorised representative (in case of a foreign company) or other)

GURURAJ BHUJANG ARAO

Designation: Company Secretary

DIN of the director or Managing Director or; income-tax PAN of the manager or authorised representative; or CEO or CFO Membership number: 2631

Certificate by practicing professional

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/ applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:

i. The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order ;

ii. All the required attachments have been completely and legibly attached to this form

To be digitally signed by

KUNJITHA PADHAM JAYACHANDRAN

◯ Chartered accountant (in whole-time practice) or ◯ Cost accountant (in whole-time practice) or

◉ Company secretary (in whole-time practice)

Whether associate or fellow ◉ Associate ◯ Fellow

Membership number: 11309

Certificate of practice number: 4031

Note: Attention is also drawn to provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively

Modify | Check Form | Prescrutiny | Submit

For office use only:

eForm Service request number (SRN) _____ eForm filing date _____ (DD/MM/YYYY)

Digital signature of the authorising officer

This e-Form is hereby approved ☐

This e-Form is hereby rejected ☐

Confirm submission

Date of signing _____ (DD/MM/YYYY)

MINISTRY OF CORPORATE AFFAIRS

ACKNOWLEDGEMENT

SRN : H69016350 **Service Request Date :** 26/06/2019

Received From :

Name : JAYACHANDRAN K

Address : FLAT S-3, DOWNHILL APARTMENTS
8/8, 13TH CROSS, 8TH MAIN MALLESWARAM
BANGALORE, Karnataka
India - 560003

Entity on whose behalf money is paid

CIN: L32202KA1949PLC032923

Name : ABB INDIA LIMITED

Address : 21ST FLOOR, WORLD TRADE CENTER,BRIGADE GATEWAY,
NO.26/1, DR. RAJKUMAR ROAD, MALLESHWARAM WEST.
BENGALURU, Karnataka
India - 560055

Full Particulars of Remittance

Service Type: eFiling

Service Description
Fee For Form GNL-1

Note: The defects or incompleteness in any respect in this eForm as noticed shall be placed on the Ministry's website (www.mca.gov.in). In case the eForm is marked as RSUB or PUCL, please resubmit the eForm or file Form GNL-4(Addendum), respectively. Please track the status of your transaction at all times till it is finally disposed off. (Please refer Rule 10 of the Companies (Registration offices and Fees) Rules, 2014) It is compulsory to file Form GNL-4 (Addendum) electronically within the due date whenever the document is put under PUCL, failing which the system will treat the document as invalid and will not be taken on record in accordance with Rule 10(4) of the Companies (Registration offices and Fees) Rules, 2014

FORM NO. GNL-1

[Pursuant to rule 12(2) of the Companies (Registration offices and Fees) Rules,2014]

सत्यमेव जयते

Form for filing an application with Registrar of Companies

Form language (•) English ( ) Hindi

Note - All fields marked in * are to be mandatorily filled.

1. * Category of applicant: Company

2. * Name of office of the registrar of Companies (RoC) to which application is being made: Registrar of Companies, Karnataka

3. (a) Corporate identity number (CIN) or foreign company registration number (FCRN) of the company or **RUN** reference number (Service request number (SRN) of **RUN**): U31904KA2019PLC121597 Pre-fill

   (b) Global location number (GLN) of company:

4. (a) Name of the company: ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

   (b) Address of the registered office or of the principal place of business in India of the Company:
   21st Floor,World Trade Center
   Brigade Gateway,No.26/1,Dr.Rajkumar Road
   MALLESHWARAM, BENGALURU
   Bangalore
   Karnataka
   560055

   (c) e-mail ID of the company: karthikeyan.ea@in.abb.com

5. Details of applicant (in case category is others)

   (a) Name
   (b) Address Line I
   Line II
   (c) City
   (d) State
   (e) ISO country code
   (f) Country
   (g) Pin code
   (h) e-mail ID

6. * Application filed for

   ( ) Compounding of offences
   ( ) Extension of period of annual general meeting by three months
   (•) Scheme of arrangement, amalgamation
   ( ) Others

7. If Others, then specify

8. *Details of application

Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors.

9. In case of application for compounding of offences, provide the following details

(a) Whether application for compounding offence is filed in respect of

☐ Company ☐ Director ☐ Manager or Secretary or CEO or CFO ☐ Other

(b) Number of person(s) for whom the application is being filed

(c) Details of person(s) for whom the application is being filed

(i) Category | Director identification number (DIN) or income-tax permanent account number (income-tax PAN) or passport number | Pre-fill | Name

(ii) Category | DIN or income-tax PAN or passport number | Pre-fill | Name

(iii) Category | DIN or income-tax PAN or passport number | Pre-fill | Name

(iv) Category | DIN or income-tax PAN or passport number | Pre-fill | Name

(v) Category | DIN or income-tax PAN or passport number | Pre-fill | Name

(vi) Category | DIN or income-tax PAN or passport number | Pre-fill | Name

(vii) Category | DIN or income-tax PAN or passport number | Pre-fill | Name

(viii) Category | DIN or income-tax PAN or passport number | Pre-fill | Name

(d) Whether application is being filed

◯ Suo-motu ◯ In pursuance to notice received from RoC or any other competent authority

(e) Notice number and date of notice

(f) Section for which application is being filed

(g) Brief particulars as to how the default has been made good

10. In case of application is made for extension of period of an AGM, mention financial year end date in respect of which the application is being filed (DD/MM/YYYY)

11.(a) Service request number of Form MGT-14

(b) Date of passing special or ordinary resolution (DD/MM/YYYY)

(c) Date of filing form MGT-14 (DD/MM/YYYY)

12. Total amount of stamp duty paid or stamp paper

Attachments

List of attachments

1. Board Resolution — Attach
2. Scheme of arrangement, amalgamation — Attach
3. *Detailed application — Attach
4. Copy of notice received from RoC or any other competent authority — Attach
5. Other attachments - if any — Attach

Scheme of Arrangement.pdf
NCLT Petition.pdf
APPSIL-Aknowledgement from ROC for NCLT App
Board Resolution_APPSIL.pdf

Remove Attachment

Verification

To the best of my knowledge and belief, the information given in this application and its attachments is correct and complete.

☒ I have been authorised by the Board of directors' resolution number 1 dated 05/03/2019 (DD/MM/YYYY) to sign and submit this application.

☐ I am duly authorised to sign and submit this form.

To be Digitally signed by

Managing Director or director or manager or secretary or CEO or CFO (in case of an Indian company or an authorised representative (in case of a foreign company) or other)

TYAGAVALLI KRISHNASWAMY SRIDHAR Digitally signed by TYAGAVALLI KRISHNASWAMY SRIDHAR Date: 2019.06.26 17:31:10 +05'30'

Designation: Director

DIN of the director or Managing Director or; income-tax PAN of the manager or authorised representative; or CEO or CFO Membership number: 06960804

Certificate by practicing professional

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/ applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:

i. The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order ;
ii. All the required attachments have been completely and legibly attached to this form

To be digitally signed by

KUNJITHA PADHAM JAYACHANDRAN Digitally signed by KUNJITHAPADHAM JAYACHANDRAN Date: 2019.06.26 18:40:38 +05'30'

◯ Chartered accountant (in whole-time practice) or ◯ Cost accountant (in whole-time practice) or
◉ Company secretary (in whole-time practice)

Whether associate or fellow: ◉ Associate ◯ Fellow

Membership number: 11309

Certificate of practice number: 4031

Note: Attention is also drawn to provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively

Modify | Check Form | Prescrutiny | Submit

For office use only:

eForm Service request number (SRN) _____ eForm filing date _____ (DD/MM/YYYY)

Digital signature of the authorising officer

This e-Form is hereby approved ☐

This e-Form is hereby rejected ☐

Confirm submission

Date of signing _____ (DD/MM/YYYY)

MINISTRY OF CORPORATE AFFAIRS

ACKNOWLEDGEMENT

SRN : H69020055 **Service Request Date :** 26/06/2019

Received From :

Name : JAYACHANDRAN K

Address : FLAT S-3, DOWNHILL APARTMENTS
8/8, 13TH CROSS, 8TH MAIN MALLESWARAM
BANGALORE, Karnataka
India - 560003

Entity on whose behalf money is paid

CIN: U31904KA2019PLC121597

Name : ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

Address : 21st Floor,World Trade Center
Brigade Gateway,No.26/1,Dr.Rajkumar Road
MALLESHWARAM, BENGALURU, Karnataka
India - 560055

Full Particulars of Remittance

Service Type: eFiling

Service Description
Fee For Form GNL-1

Note: The defects or incompleteness in any respect in this eForm as noticed shall be placed on the Ministry's website (www.mca.gov.in). In case the eForm is marked as RSUB or PUCL, please resubmit the eForm or file Form GNL-4(Addendum), respectively. Please track the status of your transaction at all times till it is finally disposed off. (Please refer Rule 10 of the Companies (Registration offices and Fees) Rules, 2014) It is compulsory to file Form GNL-4 (Addendum) electronically within the due date whenever the document is put under PUCL, failing which the system will treat the document as invalid and will not be taken on record in accordance with Rule 10(4) of the Companies (Registration offices and Fees) Rules, 2014

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ABB India Limited

CIN: L32202KA1949PLC032923
Registered Office: 21st Floor, World Trade Center, Brigade Gateway
No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka
Phone: +91 (80) 22949240, 22949150 - 54; **Fax:** +91 (80) 22949148
Website: www.abb.co.in **E-mail:** investor.helpdesk@in.abb.com

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENCH, AT BENGALURU
CA (CAA) NO. 32/BB/2019

In the matter of the Companies Act, 2013; And In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013; And in the matter of Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors;

ABB India Limited,
a Company incorporated under the Companies Act, 1913, and having its Registered Office at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka]

...Applicant Company

EQUITY SHAREHOLDERS
FORM OF PROXY

[As per Form MGT -11 and pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
Email ID	
Folio No./DP ID - Client ID*	

*applicable in case of shares held in electronic form

I/We being the Member(s) holding_____ shares of above named Company, hereby appoint:

(1) Name: _____Address: _____

Email ID: _____Signature: _____Or failing him/her

(2) Name: _____Address: _____

Email ID: _____Signature: _____Or failing him/her

(3) Name: _____Address: _____

Email ID: _____Signature: _____

as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company convened pursuant to the direction of the Bengaluru Bench of the National Company Law Tribunal to be held at "Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022, Karnataka, India, on Friday, August 9, 2019 at 10.00 a.m. (IST) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the later case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (*Strike out whatever is not applicable)

Signed this _____ day of _____ 2019

Signature of Member(s): _____

Signature of Proxy holder(s): _____

Affix Re.1/- revenue stamp

(Signature across the Stamp)

Notes:

1. The form of proxy must be deposited at the registered office of ABB India Limited at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru - 560055, Karnataka, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.

2. All alterations made in the form of proxy should be initialed.

3. Please affix appropriate revenue stamp before putting signature.

4. In case of multiple proxies, the proxy later in time shall be accepted.

5. Proxy need not be a shareholder of ABB India Limited.

6. No person shall be appointed as a proxy who is a minor.

7. The proxy of a shareholder, blind or incapable of writing, would be accepted if such shareholder has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the shareholder before he attached his signature or mark.

8. The proxy of a shareholder who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the shareholder in the language known to him, and gives the shareholder's name in English below the signature.

9. The Proxy Form shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

10. A person can act as proxy on behalf of shareholders not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Applicant Company carrying voting rights. In case a single person is proposed to be appointed as proxy by shareholder(s) holding more than ten percent of the total share capital of the Applicant Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.

ABB India Limited

CIN: L32202KA1949PLC032923
Registered Office: 21st Floor, World Trade Center, Brigade Gateway
No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka
Phone: +91 (80) 22949240, 22949150 - 54; **Fax:** +91 (80) 22949148
Website: www.abb.co.in **E-mail:** investor.helpdesk@in.abb.com

EQUITY SHAREHOLDERS ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL
MEETING CONVENED PURSUANT TO THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH, OF THE EQUITY SHAREHOLDERS ON FRIDAY, AUGUST 9, 2019 AT 10.00 A.M. (IST)

I/We hereby record my/our presence at the meeting of the Equity Shareholders of ABB India Limited, the Applicant Company, convened pursuant to the order dated 27th day of June 2019 of the NCLT at "Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru, 560 022 India, on Friday, August 9, 2019 at 10.00 a.m. (IST).

Name and address of Equity Shareholder

(IN BLOCK LETTERS) : _____

Signature : _____

Reg. Folio No. : _____

Client ID : _____

D. P. ID : _____

No. of Shares : _____

Name of the Proxy*/
authorized representative

(IN BLOCK LETTERS) : _____

Signature : _____

*(To be filled in by the Proxy/authorized representative in case he/she attends instead of the shareholder)

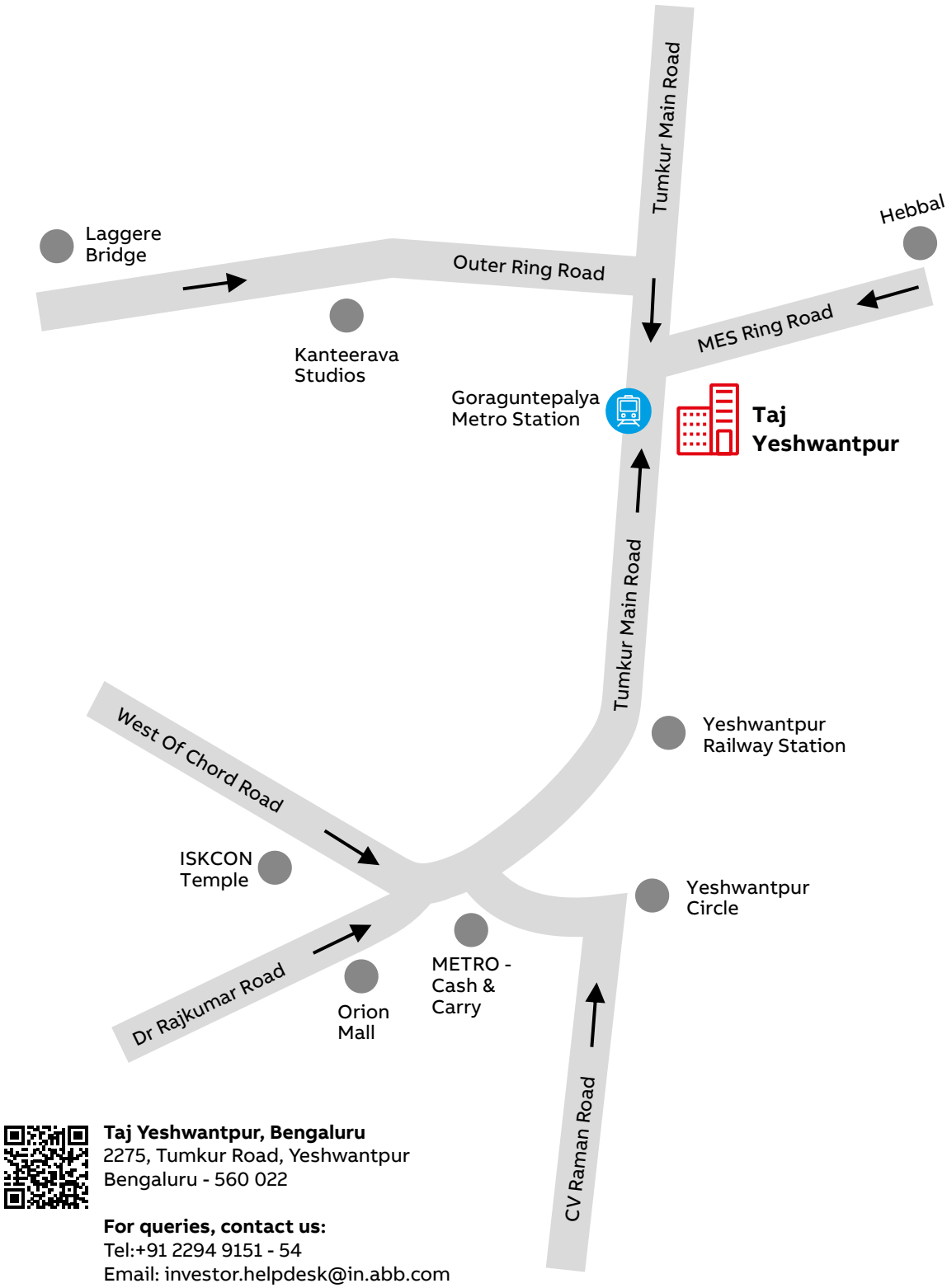
Notes:

1. Equity Shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall duly filled and signed (as per the specimen signature registered with the Applicant Company and/or furnished by the Depositories.
2. Equity Shareholders who come to attend the meeting are requested to bring their copy of the notice with them for reference at the meeting.
3. Equity Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
4. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of ABB India Limited in respect of such joint holding will be entitled to vote.
5. The authorized representative of a body corporate which is an equity shareholder of the Applicant Company and any person voting by proxy is requested to bring (i) a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the said meeting, and (ii) valid proof of identity at the meeting.

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Route map to the venue of the Tribunal convened meeting

Venue: Taj Yeshwantpur, Bengaluru



Taj Yeshwantpur, Bengaluru
2275, Tumkur Road, Yeshwantpur
Bengaluru - 560 022

For queries, contact us:
Tel:+91 2294 9151 - 54
Email: investor.helpdesk@in.abb.com

ABB India Limited
21st Floor, World Trade Center
Brigade Gateway
No.26/1, Dr. Rajkumar Road
Malleshwaram West
Bengaluru – 560055
Phone: +91 80 22949150 to 22949153
Fax: +91 80 22949148

www.abb.co.in

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Tribunal convened Meeting

Unsecured Creditors

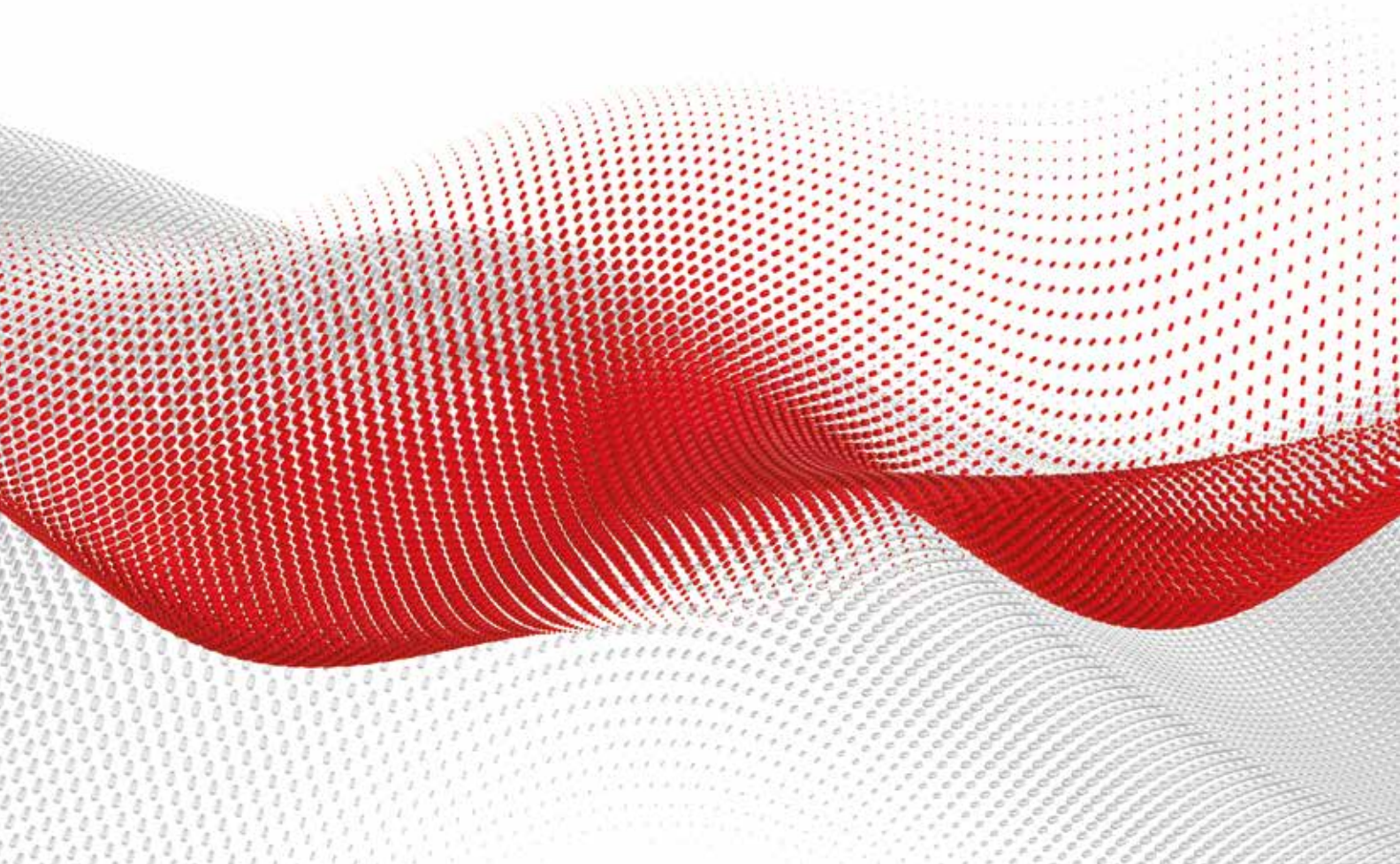


ABB India Limited

CIN: L32202KA1949PLC032923
Registered Office: 21st Floor, World Trade Center, Brigade Gateway
No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka
Phone: +91 (80) 22949240, 22949150 - 54; **Fax:** +91 (80) 22949148
Website: www.abb.co.in **E-mail:** investor.helpdesk@in.abb.com

TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS

Registered Office	21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka
Tel No	+91 80 22949240, 22949150 - 54
Fax No	+91 80 22949148
CIN	L32202KA1949PLC032923
Website **Email**	www.abb.co.in investor.helpdesk@in.abb.com

Day	Friday
Date	August 9, 2019
Time	2.00 PM (IST)
Venue	“Aura”, Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022

POSTAL BALLOT

Commencing on	Wednesday, July 10, 2019 at 9.00 AM (IST)
Ending on	Thursday, August 8, 2019 at 5.00 PM (IST)

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3.	Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors under Sections 230 - 232 of the Companies Act, 2013, enclosed as **Annexure I**.	24 - 60
4.	Share entitlement ratio reports issued by SRBC & Co. LLP, independent chartered accountant (for ABB India Limited) and B.B. & Associates, independent chartered accountant (for ABB India Limited and ABB Power Products and Systems India Limited), enclosed as **Annexures II A, II B and II C** respectively.	61 - 102
5.	Fairness Opinion issued by ICICI Securities Limited dated March 5, 2019, enclosed as **Annexure III.**	103 - 106
6.	Copy of the Observation Letter dated May 28, 2019 issued by BSE Limited to ABB India Limited, enclosed as **Annexure IV.**	107 - 108
7.	Copy of the Observation Letter dated May 28, 2019 issued by National Stock Exchange of India Limited to ABB India Limited, enclosed as **Annexure V.**	109 - 110
8.	Complaints Report dated April 16, 2019 submitted to BSE Limited and Complaints Report dated April 23, 2019 submitted to National Stock Exchange of India Limited by ABB India Limited, enclosed as **Annexure VI.**	111 - 114
9.	Report adopted by the Board of Directors of ABB India Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure VII.**	115 - 118
10.	Report adopted by the Board of Directors of ABB Power Products and Systems India Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure VIII.**	119 - 121
11.	Pre-Scheme and post-Scheme shareholding pattern of ABB India Limited and ABB Power Products and Systems India Limited, enclosed as **Annexure IX.**	122 - 123
12.	Supplementary unaudited accounting statement of ABB India Limited for the three months period ending March 31, 2019, enclosed as **Annexure X.**	124 - 158
13.	Abridged Prospectus of ABB Power Products and Systems India Limited, enclosed as **Annexure XI.**	159 - 166
14.	Copies of Form GNL-1 filed by ABB India Limited and ABB Power Products and Systems India Limited with the Registrar of Companies, Karnataka, enclosed as **Annexure XII**.	167 - 176
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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

CA/CAA/32/BB/2019

In the matter of the Companies Act, 2013;

AND

In the matter of Application under Sections 230 - 232 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors.

ABB India Limited, a Public Company incorporated under the Companies Act, 1913 having CIN L32202KA1949PLC032923, and its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka, India

...Transferor Company/Applicant No. 1

AND

ABB Power Products and Systems India Limited, a Public Company incorporated under the Companies Act, 2013 having CIN U31904KA2019PLC121597, and its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka, India

...Transferee Company/Applicant No. 2

NOTICE CONVENING THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF ABB INDIA LIMITED

Notice is hereby given that by an order dated June 27, 2019, the Bengaluru Bench of the National Company Law Tribunal **("NCLT",** and such order, the **"Order")** has directed a meeting of unsecured creditors of ABB India Limited **("Applicant Company")** to be held for the purpose of considering, and if thought fit, approving with or without modification, the proposed scheme of arrangement between the Applicant Company and ABB Power Products and Systems India Limited **("APPSIL")** and their respective shareholders and creditors, pursuant to the provisions of Sections 230 - 232 of the Companies Act, 2013 **("Act")** (the **"Scheme").**

In pursuance of the Order and as directed therein, further notice is hereby given that a meeting of unsecured creditors of the Applicant Company will be held at the "Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022 on Friday, August 9, 2019 at 2.00 PM IST **("Meeting"),** at which place, date and time, the unsecured creditors are requested to attend.

Copies of the said Scheme and of the Explanatory Statement under Section 230 of the Act can be obtained free of charge between 10.30 am to 12.30 pm on all working days at the registered office of the Applicant Company. Persons entitled to attend and vote at the Meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Applicant Company at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka not later than 48 hours before the aforesaid Meeting.

Forms of proxy are attached to this notice and can also be obtained at the registered office of the Applicant Company.

The NCLT has appointed Prof. Dr. R. Venkata Rao, ex-independent director of Bharat Electronics Limited, to be the Chairperson of the said Meeting. The above mentioned Scheme, if approved at the Meeting, will be subject to the subsequent approval of the NCLT.

TAKE NOTICE that the following resolution is proposed under Section 230(3) of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Applicant Company, for the purpose of considering, and if thought fit, to assent/ dissent for the following resolution:

"RESOLVED THAT pursuant to the provisions of Sections 230 - 232 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other rules, circulars and notifications made under the Companies Act, 2013 as may be applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India (as amended) read with the observation letters issued by BSE Limited and the National Stock Exchange of India Limited both dated May 28, 2019, and relevant provisions of other applicable laws, the Memorandum of Association and Articles of Association of ABB India Limited, and subject to the approval of the Bengaluru Bench of the National Company Law Tribunal and such other approvals, permissions and sanctions of regulatory or governmental and other authorities or tribunal, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by the Bengaluru Bench of the National Company Law Tribunal, or by any regulatory or other authorities or tribunal, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of ABB India Limited (hereinafter referred to as the **"Board"**, which term shall be deemed to mean and include one or more committee(s) constituted/to be constituted by the board of directors or any other person authorised by it to exercise its powers including the powers conferred by this resolution), the scheme of arrangement between ABB India Limited, a public listed company, having its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka and ABB Power Products and Systems India Limited, a limited company, having its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka and their respective shareholders and creditors **("Scheme"),** enclosed with this notice, be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary to give effect to the above resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/ or permitted by the Bengaluru Bench of the National Company Law Tribunal while sanctioning the Scheme, or by any governmental authorities, or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder, creditor, Securities and Exchange Board of India, the National Company Law Tribunal, and/or any other authority, are in its view not acceptable to ABB India Limited, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto."

A copy of the Explanatory Statement under Section 230(3) of the Act, read with Section 102 of the Act and Rule 6(3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 **("Arrangements Rules"**) along with a copy of the Scheme and other annexures including Proxy Form, Attendance Slip, Postal Ballot Form are enclosed herewith.

Further, please note that in compliance with the Order and provisions of Section 230(4) read with Section 110 of the Act read with Rules 20 and 22 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, the Applicant Company has provided the facility of voting by postal ballot so as to enable the unsecured creditors to consider and if thought fit, approve the Scheme.

Accordingly, the Applicant Company shall be providing its unsecured creditors the option to vote on the Scheme by way of: (i) postal ballot or (ii) physical ballot at the venue of the Meeting, to be held on Friday, August 9, 2019.

Dated at this 3rd day of July, 2019

Sd/-

Prof. Dr. R. Venkata Rao
Chairperson appointed for the Meeting

Registered Office:
ABB India Limited
21st Floor, World Trade Center, Brigade Gateway
No. 26/1, Dr. Rajkumar Road
Malleshwaram West
Bengaluru – 560055, Karnataka

Notes:

1. The Explanatory Statement pursuant to Section 230(3) of the Act and Rule 6(3) of the Arrangements Rules is enclosed herewith and forms part of this Notice.

2. Only such unsecured creditors of the Applicant Company may attend and vote (either in person or by proxy) at the Meeting, whose names appear in the Chartered Accountant's certificate certifying the list of unsecured creditors of the Applicant Company as on March 31, 2019 as had been filed with the Tribunal in Company Scheme Application No. CA/CAA/32/BB/2019. A person/entity who is not an unsecured creditor on such date should treat the notice for information purposes only and shall not be entitled to avail the facility of voting at the venue of the Meeting.

3. An unsecured creditor entitled to attend and vote at the Meeting is entitled to appoint a proxy(ies) to attend and vote instead of himself/herself and such proxies need not be an unsecured creditor of the Applicant Company. Proxies, to be effective shall be in the prescribed form, duly filled, stamped, signed and deposited by the person entitled to attend and vote at the said Meeting, or by his authorised representative, not less than 48 (forty eight) hours before the commencement of the Meeting at the registered office of the Applicant Company. The form of proxy can be obtained free of charge at the registered office of the Applicant Company. All alterations made in the form of proxy should be initialed.

4. A minor cannot be appointed as proxy.

5. The proxy of an unsecured creditor who is blind or incapable of writing will be accepted if such member has attached his/her signature or mark thereto in presence of a witness who has signed the proxy form and added his/her description and address: provided that all insertions have been made by the witness at the request and in the presence of the unsecured creditor before the witness attached his/her signature or mark.

6. The proxy of an unsecured creditor who does not know English may be accepted if it is executed in the manner prescribed in note 5, and the witness certifies that it was explained to the unsecured creditor in the language known to him/her, and gives the unsecured creditor's name in English below the signature.

7. The quorum of the Meeting of the unsecured creditors shall be 20 (twenty) unsecured creditors of the Applicant Company, present in person or through proxy or through authorised representative.

8. Unsecured creditors are requested to hand over the enclosed Attendance Slip, duly signed for admission to the meeting hall.

9. The authorized representative of a body corporate which is an unsecured creditor of the Applicant Company may attend and vote at the said Meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the said Meeting is deposited at the registered office of the Applicant Company at least 48 (forty eight) hours before the time fixed for the Meeting. Further, the authorized representative and any persons voting by proxy are requested to carry a copy of valid proof of identity at the Meeting.

10. The Notice, together with the documents accompanying the same, is being sent to all the unsecured creditors by permitted mode whose names appear in the Chartered Accountant's certificate certifying the list of unsecured creditors of the Applicant Company as on March 31, 2019 as had been filed with the NCLT in Company Scheme Application No. CA/CAA/32/BB/2019.

11. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Unsecured creditors voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Unsecured creditors who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Applicant Company's website (www.abb.co.in) or seek duplicate postal ballot form from the Applicant Company or Karvy Fintech Private Limited. Unsecured creditors shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer on or before 5:00 pm IST, Thursday, August 8, 2019. Any postal ballot form received after the said date and time period shall be treated as if the reply from the unsecured creditor has not been received.

12. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected.

13. The postal ballot form should be completed and signed by the unsecured creditors. Holder(s) of Power of Attorney ("**PoA**") on behalf of an unsecured creditor may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of unsecured creditors which are companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/authorization giving the requisite authority to the person voting on the postal ballot form.

14. The unsecured creditors who have cast their vote through postal ballot prior to the Meeting may attend the Meeting but shall not cast their votes again. However, in case unsecured creditors cast their vote both via postal ballot and voting at the Meeting, then voting through postal ballot shall prevail and voting done at the Meeting shall be treated as invalid.

15. All documents referred to in the Notice and Explanatory Statement will be available for inspection at the Applicant Company's registered office between 10:30 A.M. to 12:30 P.M. on the working days upto the date of the Meeting.

16. The Notice convening the aforesaid Meeting will be published through advertisement in The Hindu (Bengaluru edition) in English language and a Kannada translation thereof in Vijaya Karnataka (Bengaluru edition) indicating the day, date, place and time of the Meeting and stating that the copies of the Scheme, the Explanatory Statement required to be furnished pursuant to Sections 230 - 232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Company.

17. Mr. Pradeep B Kulkarni, Practicing Company Secretary (Membership No. F7260) has been appointed as the scrutinizer by the NCLT vide its Order dated June 27, 2019 to conduct the postal ballot process in a fair and transparent manner. The Scrutinizer's decision on the validity of the Postal Ballot Form will be final. The Scrutinizer will submit his/her consolidated report to the Chairperson of the meeting after scrutinizing the voting made by unsecured creditors of the Company through postal ballots and voting at the meeting. The Scrutinizer will collate the votes received through Postal Ballot Form and votes polled at the meeting to declare the final result for the resolution forming part of the Notice.

18. The results, together with scrutinizer's report, will be announced on or before Saturday August 10, 2019 and will be placed on the website of the Company at https://new.abb.com/indian-subcontinent besides being communicated to the BSE Limited and National Stock Exchange of India Limited where the shares of the Applicant Company are listed.

Encl: As above

EXPLANATORY STATEMENT UNDER SECTIONS 230(3) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF ABB INDIA LIMITED

1. Pursuant to an order dated June 27, 2019, passed by the Bengaluru Bench of the National Company Law Tribunal ("NCLT") in the above mentioned Company Scheme Application No. CA/CAA/32/BB/2019 ("Order"), a meeting of the unsecured creditors of ABB India Limited (the "Applicant Company") is being convened at the "Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022 on Friday, August 9, 2019 at 2.00 PM (IST) ("Meeting") for the purpose of considering, and if thought fit, approving, with or without modification, the scheme of arrangement between the Applicant Company and ABB Power Products and Systems India Limited ("APPSIL") and their respective shareholders and creditors, pursuant to the provisions of Sections 230 - 232 of the Companies Act, 2013 ("Act"), and any other applicable provisions of the Act, as applicable (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the "Scheme"). The Scheme has been approved by the Board of Directors of the Applicant Company ("Board") at their meeting held on March 5, 2019. A copy of the Scheme is enclosed as Annexure I.

2. The Scheme inter alia provides for the transfer by way of demerger of the power grids business of the Applicant Company ("Power Grids Business") to APPSIL in consideration for issuance of equity shares by APPSIL to the shareholders of the Applicant Company, and various other matters consequential to or otherwise integrally connected with the above pursuant to the provisions of Sections 230 - 232 of the Act, and any other applicable provisions of the Act, as applicable (including any statutory modification(s) or re-enactment thereof), for the time being in force.

3. The proposed Scheme was placed before the audit committee of the Applicant Company ("Audit Committee") at its meeting held on March 5, 2019. On the basis of its evaluation and independent judgment and consideration of the share entitlement ratio reports submitted by SRBC & Co. LLP, independent chartered accountant (for Applicant Company) and B.B. & Associates, independent chartered accountant (for Applicant Company and APPSIL) (collectively, the "Valuation Reports") and the Fairness Opinion dated March 5, 2019 issued by ICICI Securities Limited, a SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the share entitlement ratio, the Audit Committee approved and recommended the Scheme to the Board.

4. The Board, at their meeting dated March 5, 2019, took into account the Valuation Reports and the independent recommendations of the Audit Committee and on the basis of their independent judgment, approved the Scheme.

5. In terms of the Order, the quorum for the Meeting shall be 20 (twenty) unsecured creditors, present in person or through proxy or through authorised representative. In case the quorum as noted above for the Meeting is not present, then the Meeting shall be adjourned to the same day in the next week at the same time and place, or to such other date and such other time as may be directed by the NCLT, and thereafter the persons present and voting shall be deemed to constitute the quorum. In terms of the Order, the NCLT has appointed Prof. Dr. R. Venkata Rao, ex-independent director of Bharat Electronics Limited, to be the Chairperson of the Meeting.

6. The Applicant Company has filed the Scheme with the Registrar of Companies, Karnataka, in Form No. GNL-1.

7. The Scheme is subject to approval by majority of persons representing three-fourth in value of the unsecured creditors, of the Applicant Company, voting in person or by proxy or by postal ballot, in terms of Sections 230-232 of the Act.

8. **Details as per Rule 6(3) of the Arrangements Rules**

(i) Details of the order of the NCLT directing the calling, convening and conducting of the Meeting:

Please refer to paragraph no. 1 of this Explanatory Statement for date of the Order and the date, time and venue of the Meeting.

(ii) Details of the Applicant Company and APPSIL

SL. NO.	PARTICULARS	ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED	ABB INDIA LIMITED
1.	Corporate Identification Number	U31904KA2019PLC121597	L32202KA1949PLC032923
2.	Permanent Account Number	AARCA9513E	AAACA3834B
3.	Date of Incorporation	February 19, 2019	December 24, 1949
4.	Type of Company	Public Limited Company	Public Limited Company
5.	Registered office address and e-mail address	21st Floor, World Trade Center, Brigade Gateway, No 26/1, Dr. Rajkumar Road, Malleswaram West, Bengaluru – 560 055, Karnataka sridhar.tk@in.abb.com	21st Floor, World Trade Center, Brigade Gateway, No 26/1, Dr. Rajkumar Road, Malleswaram West, Bengaluru – 560 055, Karnataka b.gururaj@in.abb.com
6.	Name of the stock exchange(s) where securities of company(ies) are listed	Not listed on any stock exchange.	BSE Limited and National Stock Exchange of India Limited

(iii) Other Particulars of the Applicant Company as per Rule 6(3) of the Arrangements Rules

(a) Summary of the main objects as per the Memorandum of Association and main business carried on by the Applicant Company

The Applicant Company offers power and automation technology products to utilities, industries, channel partners, and original equipment manufacturers worldwide, operating through robotics and motion, electrification products, industrial automation and power grids segments. The objects of the Applicant Company as stated in its memorandum of association include the following:

(i) To carry on the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc., all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments and to carry out all activities in relation to business of power and automation generally.

(ii) to manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of insulated cables, and wires, rubber insulated wires and cables, cab tyre sheated wires, cables & flexibles flexible cords, cotton or silk braided, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper, rubber or bitumen insulated, lead covered power cables, armoured or non-armoured extra high tension, shielded and belted power cables type H, H.S.L. etc., mining shaft, submarine, and marine power cables, telephone and telegraph cables according to B.S.S. long

distance cables, signalling cables, lead covered cables for house installation, accessories for power cables, lead covered cables for house installation, accessories for power cables, alplastable cables with seamless aluminium sheath covered with a second seamless skin of thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or stranded for telephone, telegraph and signalling purposes, aluminium and steel cored aluminium cables for overhead lines, bare copper, and cadmium copper wire, round or grooved for tramways, trolley buses etc. (also suitable for crane operation) bare copper and aluminium bus bars, binders, and rotor bars suitable for dynamo, transformer and switchgear manufacturers, copper and aluminium wires and tapes for lightning conductors, aerials of copper, bronze, phosphor bronze, aluminium and all kinds of cables, wires, conductors and accessories.

(iii) to carry on the business of manufacturing, buying, selling, re-selling, altering, importing, exporting, improving, assembling, distributing, hiring on hire purchase system or otherwise dealing in machinery operated by the use of electricity, steam, motive power or mechanical force or otherwise wires, cables, conductors, insulators of all types, capacities, voltages, designs of high tension and low tension machines as hydro thermal or diesel electric stations, generators, transformers, sub-stations and transformer stations, L.T. & H.T. switchgear, L.T. & H.T. networks, electric locomotives tramways and industrial railways, electric railway lines, convertors and rectification stations for railways, post and industries, electric motors and electric tubes for all industrial and agricultural purposes, wiping plants, accessories and equipment and electric medical equipment, industrial and domestic electric appliances.

(b) Details of change of name, registered office and objects of the Applicant Company during the last five years

Change of Name: Nil

Change of Registered Office: Nil

Change of objects:

Following Clause of the Memorandum of Association of the Applicant Company was inserted pursuant to the Special Resolution passed at the 67th Annual General Meeting held on May 9, 2017.

2(a) To carry on the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, Microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc; all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments and to carry out all activities in relation to business of power and automation generally whether or not expressly provided under this Memorandum.

(c) Details of the capital structure of the Applicant Company including authorised, issued, subscribed and paid up share capital

The authorized, issued, subscribed and paid up share capital of the Applicant Company as at December 31, 2018 is as under:

SHARE CAPITAL	AMOUNT (IN RS.)
Authorized Share Capital	
21,25,00,000 equity shares of Rs. 2/- each	42,50,00,000
7,50,000 preference shares of Rs. 100/- each	7,50,00,000
TOTAL	50,00,00,000
Issued, subscribed and paid-up Share Capital	
21,19,08,375 equity shares of Rs. 2/- each fully paid up	42,38,16,750
TOTAL	**42,38,16,750**

Post Scheme Capital Structure:
No shares of the Applicant Company are being issued, transferred or cancelled pursuant to the Scheme. Therefore, there is no change in the capital structure pursuant to the effectiveness of the Scheme.

(d) Details of the Promoters and Directors along with their addresses
The details of the promoter of the Applicant Company as on March 31, 2019 is as set forth below:

SL. NO.	NAME OF THE PROMOTER	ADDRESS
Promoter/Promoter Group		
1.	ABB Asea Brown Boveri Ltd	Affolternstrasse 44 P.O. Box 8131, CH-8050, Zurich, Switzerland

The Applicant Company has 6 (six) Directors as on the date of this notice. The details of such Directors are set forth below:

SL. NO.	NAME OF DIRECTOR	DESIGNATION	ADDRESS
1.	Mr. Jean-Christophe Deslarzes DIN: 08064621	Chairman -Non-Executive - Non Independent Director	Runggelmatt3 Wollerau 8832 Switzerland
2.	Mr. Darius E Udwadia DIN: 00009755	Non-Executive - Independent Director	Empress Court M.Karve Road Churchgate Mumbai 400 020
3.	Mr. Nasser Munjee DIN: 00010180	Non-Executive - Independent Director	Benedict Villa House No.471, Saudevado Chorao Island, Tiswadi Goa 403 102
4.	Mr. Sanjeev Sharma DIN: 07362344	Managing Director	Phoenix Bangalore One Flat No. 2141 No 1 Dr Rajkumar Road Rajajinagar Bangalore 560 010
5.	Mr. Tarak Mehta DIN: 06995639	Non-Executive - Non Independent Director	Stockenstrasse 67 Kilchberg 8802 Zurich, Switzerland
6.	Mrs. Renu Sud Karnad DIN: 00008064	Non-Executive - Independent Director	BB 14, Greater Kailash Enclave II New Delhi 110 048

(a) The date of the Board Meeting of the Applicant Company at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

Details of the Directors and their votes for the resolution passed on March 5, 2019 are as follows:

SL. NO.	NAMES OF THE DIRECTOR OF THE COMPANY	VOTED IN FAVOUR/AGAINST/ABSTAIN
1.	J C Deslarzes	Favour
2.	Sanjeev Sharma	Favour
3.	Nasser Munjee	Favour
4.	Renu Sud Karnad	Favour
5.	Tarak Mehta	Absent
6.	Darius E. Udwadia	Favour

(b) As on March 31, 2019, the Applicant Company has 6,245 (six thousand two hundred and forty five) unsecured creditors and amount due to such unsecured creditors is Rs. 3026,03,95,976 (Rupees Three Thousand Twenty Six Crore Three Lakhs Ninety Five Thousand Nine Hundred and Seventy Six only).

None of the Directors, the Key Managerial Personnel (as defined under the Act and rules formed thereunder) of the Applicant Company and their respective relatives (as defined under the Act and rules formed thereunder) have any interests, financial or otherwise in the Scheme except to the extent of their respective shareholding in the Applicant Company and APPSIL, if any.

(c) Disclosure about the effect of the Scheme on the following persons:

SL. No.	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME
A.	Shareholders	The Applicant Company has only equity shareholders and does not have any preference shareholders. Upon the Scheme becoming effective and in consideration of the demerger, APPSIL shall allot equity shares credited as fully-paid up shares in APPSIL to the shareholders of the Applicant Company whose names appear in the register of members of the Applicant Company on a specified record date or to such of their respective heirs, executors, administrators or other legal representatives or successors in title as on such record date in the following manner: "1 (one) fully paid-up equity share, of face value Rs. 2 (Rupees two only) each in APPSIL for every 5 (five) fully paid up equity share(s) of face value Rs. 2 (Rupees two only) each of the Applicant Company." ("**Share Entitlement Ratio**") Pursuant to the demerger, the equity shares of APPSIL will be listed on the BSE Limited and the National Stock Exchange of India Limited. The entire shareholding of the Applicant Company in APPSIL, held by the Applicant Company and its nominees, will stand cancelled. The Scheme is expected to have several benefits for the Applicant Company, as indicated in the rationale of the Scheme set out above, and is expected to be in the best interests of the shareholders of the Company.
B.	Promoter(s)	Like all the shareholders of the Company, the promoters of the Applicant Company will be allotted equity shares in APPSIL in accordance with the Share Entitlement Ratio. Please refer to point A. above for details regarding effect on the shareholders.
C.	Non-Promoter Shareholders	Please refer to point A. above for details regarding effect on the shareholders.
D.	Key Managerial Personnel ("**KMP**")	The KMPs of the Applicant Company shall continue as Key Managerial Personnel of the Applicant Company after effectiveness of the Scheme.

SL. NO.	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME
E.	Employees	On the Scheme becoming effective, all employees of the Applicant Company who are either: (i) primarily engaged in the Power Grids Business; or (ii) jointly identified by the Board and the Board of APPSIL as being necessary for the proper functioning of the Power Grids Business including its future development, and, in each case, who are in service of the Applicant Company on the date immediately preceding the effective date of the Scheme ("**Transferred Employees**") shall be deemed to have become employees of APPSIL with effect from the Appointed Date (as defined in the Scheme) or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with APPSIL shall not be less favourable than those applicable to them with reference to their employment in the Applicant Company on the date immediately preceding the effective date of the Scheme. Services of the Transferred Employees shall be taken into account from the date of their respective appointment with the Applicant Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation, if any, APPSIL shall take into account such past services with the Applicant Company. The services of the Transferred Employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Applicant Company. Further, on the Scheme becoming effective, insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Applicant Company, such proportion of the investments made in the funds and liabilities which are referable to the Transferred Employees shall be transferred to the similar funds created by APPSIL, or at the sole discretion of APPSIL, maintained as separate funds by APPSIL.
F.	Creditors	The Scheme is not prejudicial to the interests of creditors.
G.	Depositors	Not Applicable. The Applicant Company does not have any depositors.
H.	Debenture holders	Not Applicable. The Applicant Company does not have any debenture holders.
I.	Debenture Trustee and Deposit Trustee	Not Applicable. As on date, Applicant Company does not have any Debenture Trustee and Deposit Trustee.

(d) Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel (KMP), and other stakeholders:

Please refer to point no. (b) and (c) above for the effect of the Scheme on material interests of Directors, KMPs and other stakeholders.

(iv) Other Particulars of APPSIL as per Rule 6(3) of the Arrangements Rules

(a) Summary of the main objects as per the Memorandum of Association and main business carried on by APPSIL

APPSIL is a newly incorporated wholly owned subsidiary of the Applicant Company with the objects of, inter alia, undertaking the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric propulsion for ships, mine hoists, turbochargers and pulp

testing equipment etc.; all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments.

(b) Details of change of name, registered office and objects of APPSIL during the last five years

Change of name: Nil

Change of Registered Office: Nil

Change of objects: Nil

(c) Details of the capital structure of APPSIL including authorised, issued, subscribed and paid up share capital

The share capital structure of APPSIL as on March 31, 2019, is as under:

SHARE CAPITAL	**AMOUNT (IN RS.)**
Authorized Share Capital	
2,50,000 equity shares of Rs. 2/- each	5,00,000
TOTAL	5,00,000
Issued, subscribed and paid-up Share Capital	
50,000 equity shares of Rs. 2/- each, fully paid up	1,00,000
TOTAL	**1,00,000**

Post Scheme Capital Structure:

Upon the coming into effect of the Scheme, shares will be issued by APPSIL to the equity shareholders of the Applicant Company in accordance with the Share Entitlement Ratio. Further, the existing shareholding of the Applicant Company and its nominee shareholders in APPSIL shall stand cancelled without any further act or deed immediately following the issuance of shares by APPSIL to the shareholders of the Applicant Company, pursuant to the Scheme. There shall be no change in the shareholding pattern or control in APPSIL between the record date and the listing which may affect the status of approvals received from the stock exchanges, other than as provided in the Scheme.

(d) Details of the Promoters and Directors along with their addresses

The entire share capital of APPSIL as on March 31, 2019 is held by the Applicant Company and its nominee shareholders.

APPSIL has 3 Directors as on the date of this notice. The details of such Directors are set forth below:

SL. NO.	**NAME OF DIRECTOR**	**DESIGNATION**	**ADDRESS**
1.	Mr. Sanjeev Sharma DIN-07362344	Director	Phoenix Bangalore One Flat No. 2141, No 1 Dr Rajkumar Road, Rajajinagar Bangalore 560 010
2.	Mr. T.K. Sridhar DIN-06960804	Director	# FT 12025 12th BLK 2nd Floor, Sobha Elite Nagasandra Tumkur Road, Near Shell Petrol Bunk, Bengaluru 560 073
3.	Mr. B. Gururaj DIN-00134583	Director	B 006, Renaissance Park 3, Malleswaram West, Subramanya Nagar Bangalore 560 055

(e) The date of the Board Meeting of APPSIL at which the Scheme was approved by the Board of Directors including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not or participate on such resolution:

Details of Directors of APPSIL who voted on the resolution passed on March 5, 2019 are as follows:

SL. NO.	NAMES OF THE DIRECTORS AS ON MARCH 5, 2019	VOTED IN FAVOR/AGAINST/ABSTAIN
1.	Mr. Sanjeev Sharma	Favour
2.	Mr. T.K. Sridhar	Favour
3.	Mr. B. Gururaj	Favour

(f) As on March 31, 2019, APPSIL has no unsecured creditors.

(g) None of the Directors, the Key Managerial Personnel (as defined under the Act and rules formed thereunder) of APPSIL and their respective Relatives (as defined under the Act and rules formed thereunder) have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Applicant Company and APPSIL, if any. APPSIL does not have any debenture trustees.

(h) Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel, and other stakeholders:

Disclosure about the effect of the Scheme on the following persons:

SL. NO.	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME ON STAKEHOLDERS
A.	Shareholders	APPSIL has only equity shareholders and does not have any preference shareholders. The entire shareholding of the APPSIL is held by the Applicant Company and its nominees. As an integral part of the Scheme the entire pre-scheme share capital of APPSIL will stand cancelled and accordingly, the Applicant Company will cease to be a shareholder of APPSIL. Upon the Scheme becoming effective and in consideration of the demerger, APPSIL shall allot equity shares credited as fully-paid up shares in APPSIL to the shareholders of the Applicant Company whose names appear in the register of members of the Applicant Company on a specified record date or to such of their respective heirs, executors, administrators or other legal representatives or successors in title as on such record date in the following manner: "1 (one) fully paid-up equity share, of face value Rs. 2/- (Rupees Two only) each in APPSIL for every 5 (five) fully paid up equity share(s) of face value Rs. 2/- (Rupees Two only) each of the Applicant Company.". Pursuant to the demerger, the equity shares of APPSIL will be listed on the BSE Limited and the National Stock Exchange of India Limited.
B.	Promoter(s)	The promoter i.e. the Applicant Company will cease to be a shareholder of APPSIL.
C.	Non-Promoter Shareholders	Please refer to point A. above for details regarding effect on the shareholders.
D.	Key Managerial Personnel	APPSIL has no key managerial personnel as of date.
E.	Employees	APPSIL does not have any employees as of date.
F.	Creditors	APPSIL does not have any creditors as of date.
G.	Depositors	Not Applicable. APPSIL does not have any depositors.
H.	Debenture Holders	Not Applicable. APPSIL does not have any debenture holders.
I.	Deposit Trustee and Debenture Trustee	Not Applicable. As on date, APPSIL does not have any Debenture Trustee and Deposit Trustee.

(v) Other details regarding the Scheme required as per Rule 6(3) of the Arrangements Rules

(a) Relationship between the Applicant Company and APPSIL:

APPSIL is a wholly owned subsidiary of the Applicant Company. However, in terms of the Scheme, upon effectiveness of the Scheme, all equity shares of APPSIL held by the Applicant Company (directly and/or through nominees) shall stand cancelled without any further application, act or deed immediately following the issuance of shares by APPSIL to the shareholders of the Applicant Company, pursuant to the Scheme.

(b) Appointed Date, Effective Date, Record Date and Share Exchange Ratio:

Appointed Date: means the opening of business on April 01, 2019 or such other date as the NCLT may direct/ allow.

Effective Date: means the last of the dates on which all the conditions and matters referred to in Clause 24 occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall be the Effective Date.

Record Date: means a date to be fixed by the Board of the Applicant Company for the purposes of determining the equity shareholders of the Applicant Company to whom equity shares of APPSIL would be issued and allotted in accordance with Clause 16.

Consideration for the demerger of Applicant Company's Power Grids Business

Upon the coming into effect of the Scheme, shares will be issued by APPSIL to the equity shareholders of the Applicant Company in accordance with the Share Entitlement Ratio. Further, the existing shareholding of the Applicant Company in APPSIL shall stand cancelled without any further act or deed immediately following the issuance of shares by APPSIL to the shareholders of the Applicant Company, pursuant to the Scheme.

(c) Summary of share entitlement ratio report

Share entitlement ratio reports dated March 5, 2019 have been issued to the Applicant Company by SRBC & Co. LLP and B.B & Associates. B.B & Associates have also issued a share entitlement ratio report to APPSIL.

The share entitlement ratio set out in the reports have been determined based on the Net Asset Value method.

The recommendation of the share entitlement ratio has been approved by the Board, Audit Committee of the Applicant Company, board of directors of APPSIL and audit committee of APPSIL. Copies of the share entitlement ratio reports are available for inspection as set out in paragraph (v)(j)D. below.

A Fairness Opinion dated March 5, 2019 was issued by ICICI Securities Limited, a SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the share entitlement ratio from a financial point of view.

(d) Details of capital restructuring

Please refer to paragraph (iii)(c) and paragraph (iv)(c) above.

(e) Details of debt restructuring

There is no debt restructuring being undertaken pursuant to the Scheme.

(f) Summary of the Accounting Treatment

The Applicant Company shall follow the accounting treatment in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and/or as per generally accepted accounting principles applicable to the Applicant Company. Please refer to Clause 18 of the Scheme for more details.

(g) Rationale of the Scheme of Arrangement, and the benefit of the Scheme of Arrangement as perceived by the Board of Directors of the Applicant Company

A. The Applicant Company has been driving industrial change as a pioneering technology leader. The Applicant Company is now taking fundamental actions to realign its business to focus, simplify and lead in digital industries for enhanced customer value and shareholder returns.

B. These actions include the separation of the Applicant Company's portfolio of digital industries from the Applicant Company's traditional, long gestation, projects led, business of power grids, with requirements that include access to financing, by transfer of the Power Grids Business to a demerged legal entity.

C. The simplification of the Applicant Company's business model and structure with the implementation of this new organization is expected to provide each business with full operational ownership of products, functions, R&D and territories. These actions are likely to position the Applicant Company with a leadership role in digital solutions, and evolving technologies such as artificial intelligence in India, while allowing APPSIL to independently focus on a likely leadership position in the Power Grids Business with its unique and established market dynamics.

D. With continuous advances in technology driving an unprecedented rate of development, the Applicant Company's customers' businesses in the country are being profoundly impacted. Indian customers are looking for more complete solutions, combining the right products with leading engineering expertise and domain capability.

E. The planning of fundamental actions whose objective is to focus, simplify and lead in digital industries is expected to allow the Applicant Company to more effectively meet customers' needs and capture market opportunities in Indian industries at an inflection point of digital transformation, with an even stronger customer proximity.

F. The new structure with a demerged self-contained Power Grids Business is likely to help deliberate refocusing onto industrial customers. Focus on digital industries in an era of energy and fourth industrial revolution, needs to be distinguished from the slower cycle, government influenced, financing support enabled large projects of Power Grids Business.

G. The proposed demerger is expected to assist the current power grids division to independently pursue the business excellence built over a long period in the power infrastructure with its robust and time tested business model.

H. In order to effect the segregation of the Power Grids Business from the other businesses of the Applicant Company, the Applicant Company has proposed to transfer the Power Grids Business to APPSIL by way of demerger in accordance with Sections 230-232 of the Act and the SEBI Scheme Circular.

I. In consideration of the demerger, the shareholders of the Applicant Company will receive equity shares in APPSIL, which will be listed on the stock exchanges. The shares held by the Applicant Company in APPSIL will be cancelled upon effectiveness of the Scheme.

J. The demerger and consequent issue of equity shares by APPSIL are proposed to allow shareholders of the Applicant Company and APPSIL and investors to invest in the distinct key businesses and allow shareholders of the Applicant Company and APPSIL unlock the value of their investments.

(h) No investigation or proceedings have been instituted or are pending in relation to the Applicant Company and APPSIL under the Act.

(i) The pre-Scheme and post-Scheme shareholding patterns of the Applicant Company are attached at Annexure IX.

(j) Details of availability of the following documents for obtaining extracts from or making or obtaining copies

The following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors of the Applicant Company at its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka between 10.30 a.m. to 12.30 p.m. on any working day up to the date of the Meeting. Copies of the Scheme and Explanatory Statement are available at the registered office of the Applicant Company free of charge.

A. Certified copy of the order passed by the Bengaluru Bench of the NCLT in CA/CAA/32/BB of 2019, dated June 27, 2019 directing the Applicant Company and APPSIL separately, to convene the respective meetings;

B. Copy of the Scheme;

C. Copies of the Memorandum of Association and Articles of Association of the Applicant Company and APPSIL;

D. Share entitlement ratio reports issued by SRBC & Co. LLP, independent chartered accountant (for Applicant Company) and B.B. & Associates, independent chartered accountant (for Applicant Company and APPSIL);

E. Copies of the latest audited financial statements of the Applicant Company and latest unaudited financial statements of APPSIL;

F. Register of Directors' Shareholding of the Applicant Company and APPSIL;

G. The certificates issued by auditors of the Applicant Company and APPSIL to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;

H. Copies of Form No. GNL-1 filed by the respective companies with the Registrar of Companies, Karnataka, along with challans, evidencing filing of the Scheme.

I. Abridged Prospectus for APPSIL.

(k) Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities in relation to the Scheme

A. The Scheme was filed by the Applicant Company and APPSIL with the Bengaluru Bench of the NCLT on May 30, 2019 and the Bengaluru Bench of NCLT has given directions to convene Meeting vide an Order dated June 27, 2019.

B. The Scheme is subject to approval by majority of persons representing three-fourth in value of the unsecured creditors, of the Applicant Company, voting in person or by proxy or by the postal ballot, in terms of Sections 230-232 of the Act.

9. The relevant clauses of the Scheme are as under:

"Definitions:

"Appointed Date" means opening of business on April 1, 2019 or such other date as the NCLT may direct/allow;

"Demerged Undertaking" means the business, undertaking, and properties, of whatsoever nature and kind and wheresoever situated, in each case, forming part of or necessary or advisable for the conduct of, or the activities or operations of, the Power Grids Business as a going concern, including but not limited to, the following:

(a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

(b) all assets, as are movable in nature and which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants) actionable claims, earnest monies, security deposits paid or deemed to have been paid and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/branches/offices undertaking the Power Grids Business in India or overseas, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees and performance guarantees;

(c) all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, pre-qualifications, eligibility criterion, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, tax deferrals, incentives, exemptions and other benefits (in each case including the benefit of any applications made for the same), relatable to the Power Grids Business, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/issued/given by any Appropriate Authority, organizations or companies necessary for conduct of, or the activities or operations of, the Power Grids Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understandings, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(e) all Intellectual Property (if any) owned by the Transferor which exclusively or predominantly forms part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, any rights of the Transferor to use any Intellectual Property which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, applications (including hardware, software, licenses, source codes, para meterisation and scripts), registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such Intellectual Property rights of whatsoever description and nature which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(f) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(h) the Demerged Liabilities;

(i) the Transferred Employees;

(j) all legal or other proceedings of whatsoever nature that relate to the Power Grids Business (subject to the provisions of Clause 9 and Clause 12 in relation to Tax matters); and

(k) any assets, liabilities, agreements, undertakings, activities, operations or properties that are determined by the Boards of the Transferor and Transferee relating to or forming part of the Power Grids Business or which are necessary for conduct of, or the activities or operations of, the Power Grids Business.

"Effective Date" means the last of the dates on which all the conditions and matters referred to in Clause 24 occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall be the Effective Date;

16. CONSIDERATION FOR DEMERGER

16.1 Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking from the Transferor to the Transferee in terms of this Scheme, the Transferee shall, without any further application, act, instrument or deed and without any payment by the shareholders, issue and allot equity shares, credited as fully paid-up, to the shareholders of the Transferor, holding fully paid up equity shares in the Transferor and whose names appear in the register of members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Transferor on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner/ratio:

"1 (one) fully paid up equity share of Rs. 2/- (Rupees Two only) each of the Transferee shall be issued and allotted for every 5 (five) fully paid up equity shares of Rs. 2/- (Rupees Two only) each held in the Transferor" ("Share Entitlement Ratio")

The shares issued by the Transferee pursuant to this Clause 16 are hereinafter referred to as "New Equity Shares".

16.2 The New Equity Shares shall be subject to the Scheme, the memorandum and articles of association of the Transferee and Applicable Laws and shall rank pari passu with the equity shares of the Transferee.

16.3 If the allotment of shares pursuant to this Clause 16 will result in any shareholders being issued fractional shares, the Board of the Transferee shall, at its absolute discretion, decide to take any or a combination of the following actions:

(a) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/trustee authorized by the Board of the Transferee in this behalf who shall hold the shares in trust on behalf of the shareholders of the Transferor entitled to fractional entitlements with the express understanding that such person shall sell the shares of the Transferee so allotted on the Stock Exchanges at such time or times and at such price or prices and to such person, as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the shareholders of the Transferor in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person authorized by the Board of the Transferee by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer.

(b) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Transferor and the Transferee.

16.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor, the Board of the Transferor shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of equity shares in the Transferor, after the effectiveness of this Scheme.

16.5 Without prejudice to the generality of Clause 16.1, the Transferor and the Transferee shall, if and to the extent required, apply for and obtain any approvals from concerned Appropriate Authorities and undertake necessary compliance for the issuance and allotment of the New Equity Shares.

16.6 The New Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of the Transferor in dematerialized form, into the account in which shares of the Transferor are held or such other account as is intimated in writing by the shareholders to the Transferor and/or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. All those shareholders who hold shares of the Transferor in physical form shall also have the option to receive the New Equity Shares, as the case may be, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferor and/or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor in physical form 30 (thirty) days before the Record Date, then the Transferee may allot physical shares to such shareholder.

16.7 The New Equity Shares to be issued by the Transferee, pursuant to Clause 16 in respect of any equity shares of the Transferor which are held in abeyance under the provisions of Section 126 of the Act or which the Transferee is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Transferee.

16.8 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee shall stand suitably increased consequent upon the issuance of the New Equity Shares in accordance with this Clause 16. Approval of this Scheme by the equity shareholders of the Transferee shall be deemed to be in due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the New Equity Shares as on the Record Date, as provided in this Scheme.

16.9 The New Equity Shares will be listed and/or admitted to trading on the Stock Exchanges. The Transferee shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Laws or regulations for the Transferee with the formalities of the Stock Exchanges. The New Equity Shares shall remain frozen in the depositories system till listing and trading permission is given by the designated stock exchange. There shall be no change in the shareholding pattern or control in the Transferee between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges, other than as provided in the Scheme.

16.10 The New Equity Shares may not be registered under the United States Securities Act, 1933, as amended (the "Securities Act") and the Transferee may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Transferee may elect to rely upon. In the event the Transferee elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the New Equity Shares of the Transferee for such exemption.

17. CANCELLATION OF SHARE CAPITAL

17.1 Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230-232 of the Act, the existing shareholding of the Transferor in the Transferee shall stand cancelled without any further act, instrument or deed immediately following the issuance of the New Equity Shares in accordance with the Scheme.

17.2 The consequent reduction of share capital of the Transferee shall be an integral part of this Scheme and the Transferor and the Transferee shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.

17.3 The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

24. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to:

(a) the Scheme being approved by the respective requisite majorities of the shareholders and/or creditors (wherever applicable) of the Transferor and the Transferee as required under the Act;

(b) receipt of approvals of the relevant Stock Exchanges where the equity shares of the Transferor are listed and traded, and SEBI, in terms of paragraph 2 of SEBI Scheme Circular read with paragraph I. B (4) and I. C (2) of Annexure I to the SEBI Scheme Circular;

(c) the receipt or waiver (where permissible) of any approvals from third parties mutually agreed by the Transferor and the Transferee as being required for completion of the Demerger;

(d) the Scheme being sanctioned by the NCLT in terms of Sections 230-232 and other relevant provisions of the Act; and

(e) the certified copies of the Sanction Order(s) of NCLT sanctioning this Scheme being filed with the Registrar of Companies by the Transferor and Transferee."

The features set out above being only the salient features of the Scheme, which are subject to details set out in the Scheme, the unsecured creditors are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme.

A copy of the proposed Scheme is attached as Annexure I to this Explanatory Statement. The Scheme is not prejudicial to the interest of the shareholders and creditors of the Applicant Company.

10. Documents required to be circulated for the Meeting under Section 232(2) of the Act and SEBI Scheme Circular:

As required under Section 232(2) of the Act and paragraph 8 of the SEBI Scheme Circular, the following documents are being circulated with this notice and the explanatory statement:

(i) Scheme, enclosed as **Annexure I.**

(ii) Share entitlement ratio reports, enclosed as **Annexures II A, II B** and **II C;**

(iii) Copy of the Fairness Opinion dated March 5, 2019 issued by ICICI Securities Limited, category I Merchant Banker, Mumbai (SEBI Registration No INM000011179), a SEBI registered merchant banker, to the Applicant Company, providing its opinion on the fairness of the share entitlement ratio, as recommended in the Valuation Reports, enclosed as **Annexure III;**

(iv) Copy of the Observation letters issued by the stock exchanges to Applicant Company, enclosed as **Annexure IV** and **V.**

(v) Complaints reports submitted by the Applicant Company, enclosed as **Annexure VI;**

(vi) Report adopted by the Board pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure VII;**

(vii) Report adopted by the Board of Directors of APPSIL pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure VIII;**

(viii) Pre-Scheme and Post-Scheme shareholding pattern, as applicable enclosed as **Annexure IX;**

(ix) Supplementary unaudited accounting statement of Applicant Company for the three months period ending March 31, 2019, enclosed as **Annexure X**.

(x) Abridged prospectus for APPSIL enclosed as **Annexure XI**; and

(xi) Copies of Form GNL-1 filed by Applicant Company and APPSIL with the Registrar of Companies, Karnataka, enclosed as **Annexure XII.**

Dated at this 3rd day of July 2019

Sd/-

Prof. Dr. R. Venkata Rao
Chairperson appointed for the Meeting

Registered Office
ABB India Limited
21st Floor, World Trade Center, Brigade Gateway,
No. 26/1, Dr. Rajkumar Road, Malleshwaram West,
Bengaluru – 560055, Karnataka

Annexure I

SCHEME OF ARRANGEMENT

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

BETWEEN

ABB INDIA LIMITED

AND

ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART A – GENERAL

PREAMBLE

This scheme of arrangement ("**Scheme**", as more particularly defined hereunder) is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013 between ABB India Limited ("**Transferor**"), a subsidiary of ABB Asea Brown Boveri Limited, a corporation incorporated in Switzerland, and ABB Power Products and Systems India Limited ("**Transferee**") and their respective shareholders and creditors. The Scheme provides *inter alia* for the demerger of the Demerged Undertaking (*as defined below*) of the Transferor to the Transferee ("**Demerger**") and the consequent issuance of equity shares by the Transferee to the shareholders of the Transferor under Sections 230-232 and other applicable provisions of the Act (*as defined below*) and the SEBI Scheme Circular (*as defined below*).

BACKGROUND

(a) The Transferor is a public limited company with corporate identification number L32202KA1949PLC032923 and was incorporated *vide* certificate of incorporation dated December 24, 1949 as 'The Hindustan Electric Company Limited' under the Companies Act, 1913. Thereafter, *vide* fresh certificates of incorporation dated September 24, 1965, October 13, 1989 and April 16, 2003, the name of the Transferor was changed to 'Hindustan Brown Boveri Limited', 'Asea Brown Boveri Limited' and 'ABB Limited' respectively. The name of the Transferor was changed to its current name i.e. 'ABB India Limited' *vide* fresh certificate of incorporation dated June 14, 2013. The certificate for commencement of business was issued to the Transferor on March 2, 1950.

(b) The Transferor was originally incorporated in the State of Maharashtra. Thereafter, *vide* fresh certificate of registration dated November 27, 2003, the registered office of the Transferor was changed to the State of Karnataka. The Transferor currently has its registered office at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka. The Transferor offers power and automation technology products to utilities, industries, channel partners, and original equipment manufacturers worldwide, operating through robotics and motion, electrification products, industrial automation and power grids segments. The objects of the Transferor as stated in its memorandum of association include the following:

(i) To carry on the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric

propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc., all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments and to carry out all activities in relation to business of power and automation generally.

(ii) to manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of insulated cables, and wires, rubber insulated wires and cables, cab tyre sheated wires, cables & flexibles flexible cords, cotton or silk braided, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper, rubber or bitumen insulated, lead covered power cables, armoured or non-armoured extra high tension, shielded and belted power cables type H, H.S.L. etc., mining shaft, submarine, and marine power cables, telephone and telegraph cables according to B.S.S. long distance cables, signalling cables, lead covered cables for house installation, accessories for power cables, lead covered cables for house installation, accessories for power cables, alplastable cables with seamless aluminium sheath covered with a second seamless skin of thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or stranded for telephone, telegraph and signalling purposes, aluminium and steel cored aluminium cables for overhead lines, bare copper, and cadmium copper wire, round or grooved for tramways, trolley buses etc. (also suitable for crane operation) bare copper and aluminium bus bars, binders, and rotor bars suitable for dynamo, transformer and switchgear manufacturers, copper and aluminium wires and tapes for lightning conductors, aerials of copper, bronze, phosphor bronze, aluminium and all kinds of cables, wires, conductors and accessories.

(iii) to carry on the business of manufacturing, buying, selling, re-selling, altering, importing, exporting, improving, assembling, distributing, hiring on hire purchase system or otherwise dealing in machinery operated by the use of electricity, steam, motive power or mechanical force or otherwise wires, cables, conductors, insulators of all types, capacities, voltages, designs of high tension and low tension machines as hydro thermal or diesel electric stations, generators, transformers, sub-stations and transformer stations, L.T. & H.T. switchgear, L.T. & H.T. networks, electric locomotives tramways and industrial railways, electric railway lines, convertors and rectification stations for railways, post and industries, electric motors and electric tubes for all industrial and agricultural purposes, wiping plants, accessories and equipment and electric medical equipment, industrial and domestic electric appliances.

(c) The equity shares of the Transferor are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively with BSE Limited, the "**Stock Exchanges**").

(d) The Transferee is a public limited company incorporated under the Act *vide* certificate of incorporation dated February 19, 2019, having its registered office at

21st Floor, World Trade Center, Brigade Gateway, No 26/1, Dr. Rajkumar Road, Malleswaram West, Bengaluru – 560 055, Karnataka. The corporate identification number of the Transferee is U31904KA2019PLC121597. The Transferee is a newly incorporated wholly owned subsidiary of the Transferor with the objects of, *inter alia*, undertaking the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc.; all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments.

(e) This Scheme has been drawn up so that the Demerger of the Demerged Undertaking from the Transferor to the Transferee is compliant with the conditions applicable to a "demerger" under Section 2 (19AA) of the IT Act (*as defined below*) and other applicable provisions of the IT Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with the provisions of the IT Act at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the IT Act shall prevail to the extent of such inconsistency and the Scheme shall be deemed to be modified to the extent determined necessary by the Boards of the Transferor and the Transferee to comply with the IT Act, without any further act or deed of the Transferor or the Transferee. Such modification will however not affect other parts of the Scheme.

RATIONALE FOR THE DEMERGER

(a) The Transferor has been driving industrial change as a pioneering technology leader. The Transferor is now taking fundamental actions to realign its business to focus, simplify and lead in digital industries for enhanced customer value and shareholder returns.

(b) These actions include the separation of the Transferor's portfolio of digital industries from the Transferor's traditional, long gestation, projects led, business of power grids, with requirements that include access to financing, by transfer of the Power Grids Business (*as defined below*) to a demerged legal entity.

(c) The simplification of the Transferor's business model and structure with the implementation of this new organization is expected to provide each business with full operational ownership of products, functions, R&D and territories. These actions are likely to position the Transferor with a leadership role in digital solutions, and evolving technologies such as artificial intelligence in India, while

allowing the Transferee to independently focus on a likely leadership position in the Power Grids Business with its unique and established market dynamics.

(d) With continuous advances in technology driving an unprecedented rate of development, the Transferor's customers' businesses in the country are being profoundly impacted. Indian customers are looking for more complete solutions, combining the right products with leading engineering expertise and domain capability.

(e) The planning of fundamental actions whose objective is to focus, simplify and lead in digital industries is expected to allow the Transferor to more effectively meet customers' needs and capture market opportunities in Indian industries at an inflection point of digital transformation, with an even stronger customer proximity.

(f) The new structure with a demerged self-contained Power Grids Business is likely to help deliberate refocusing onto industrial customers. Focus on digital industries in an era of energy and fourth industrial revolution, needs to be distinguished from the slower cycle, government influenced, financing support enabled large projects of Power Grids Business.

(g) The proposed Demerger is expected to assist the current power grids division to independently pursue the business excellence built over a long period in the power infrastructure with its robust and time tested business model.

(h) In order to effect the segregation of the Power Grids Business from the other businesses of the Transferor, the Transferor proposes to transfer the Power Grids Business to the Transferee by way of Demerger in accordance with Sections 230-232 of the Act and the SEBI Scheme Circular.

(i) In consideration of the Demerger, the shareholders of the Transferor will receive equity shares in the Transferee, which will be listed on the Stock Exchanges. The shares held by the Transferor in the Transferee will be cancelled upon effectiveness of the Scheme.

(j) The Demerger and consequent issue of equity shares by the Transferee are proposed to allow shareholders of the Transferor and Transferee and investors to invest in the distinct key businesses and allow shareholders of the Transferor and Transferee unlock the value of their investments.

This Scheme accordingly provides for the transfer by way of Demerger of the Demerged Undertaking from the Transferor to the Transferee, and the consequent issue of equity shares by the Transferee to the shareholders of the Transferor in accordance with the Share Entitlement Ratio (*as defined below*) and various other matters consequential or integrally connected therewith, including the reorganisation of the share capital of the Transferee, pursuant to Sections 230-232 and other applicable provisions of the Act, the SEBI Scheme Circular and in compliance with the IT Act, including Section 2(19AA) thereof.

PARTS OF THE SCHEME

The Scheme is divided into following parts:

1. **PART A** deals with background of the Transferor and the Transferee, rationale and objective of the Scheme;

2. **PART B** deals with the definitions, interpretation and share capital;

3. **PART C** deals with the Demerger of the Demerged Undertaking of the Transferor on a going concern basis into the Transferee; and

4. **PART D** deals with the general terms and conditions applicable to the Scheme.

PART B - DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with or repugnant to the subject or context, the following expressions shall have the meanings respectively assigned against them:

1.1 "**Act**" means the Companies Act, 2013, the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;

1.2 "**Appointed Date**" means opening of business on April 1, 2019 or such other date as the NCLT may direct/ allow;

1.3 "**Applicable Law**" means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, press notes, requirement or any similar form of determination by or decision of any Appropriate Authority, in each case having the force of law, and that is binding or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Board of the Transferor and the Transferee or at any time thereafter including Environmental Laws and Tax Laws;

1.4 "**Appropriate Authority**" means any applicable supra-national, national, central, state, municipal, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, legislative body, departmental or public body or authority, board, branch, tribunal or court or other entity in India or any other country where the Transferor or Transferee conduct their business authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization in India or any other country where the Transferor or Transferee conduct their business to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country where the Transferor or Transferee conduct their business including the Registrar of Companies, Regional Director, Competition Commission of India, Reserve Bank of India, SEBI, Stock Exchanges, National Company Law Tribunal, Tax department including the Central Board of Direct Taxes, Income Tax authorities, Central and State GST Departments and such other sectoral regulators or authorities in India or any other country where the Transferor or Transferee conduct their business as may be applicable;

1.5 "**Board**" means the board of directors of the Transferor and/or Transferee, as the case may be, in office at the relevant time, and, shall include a committee duly constituted and authorized by the directors of the Transferor or the Transferee, as the case may be;

1.6 "**Costs**" means direct losses, damages, liabilities, penalties, fines, costs (including reasonable legal costs) and expenses (including Taxation), in each case of any nature whatsoever;

1.7 "**Demerged Liabilities**" shall have the meaning set out in Clause 7.2;

1.8 "**Demerged Undertaking**" means the business, undertaking, and properties, of whatsoever nature and kind and wheresoever situated, in each case, forming part of or necessary or advisable for the conduct of, or the activities or operations of, the Power Grids Business as a going concern, including but not limited to, the following:

(a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all documents (including panchnamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;

(b) all assets, as are movable in nature and which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants) actionable claims, earnest monies, security deposits paid or deemed to have been paid and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices undertaking the Power Grids Business in India or overseas, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees and performance guarantees;

(c) all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, pre-qualifications, eligibility criterion, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, tax deferrals, incentives, exemptions and other benefits (in each case including the benefit of any applications made for the same), relatable to the Power Grids Business, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Appropriate Authority, organizations or companies necessary for conduct of, or the activities or operations of, the Power Grids Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(d) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understandings, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, lease/ license agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(e) all Intellectual Property (if any) owned by the Transferor which exclusively or predominantly forms part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, any rights of the Transferor to use any Intellectual Property which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, applications (including hardware, software, licenses, source codes, para meterisation and scripts), registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such Intellectual Property rights of whatsoever description and nature

which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(f) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/ supplier pricing information, and all other books and records, whether in physical or electronic form which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

(h) the Demerged Liabilities;

(i) the Transferred Employees;

(j) all legal or other proceedings of whatsoever nature that relate to the Power Grids Business (subject to the provisions of Clause 9 and Clause 12 in relation to Tax matters); and

(k) any assets, liabilities, agreements, undertakings, activities, operations or properties that are determined by the Boards of the Transferor and Transferee relating to or forming part of the Power Grids Business or which are necessary for conduct of, or the activities or operations of, the Power Grids Business.

1.9 "**Effective Date**" means the last of the dates on which all the conditions and matters referred to in Clause 24 occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall be the Effective Date;

1.10 "**Encumbrance**" or to "**Encumber**" means without limitation any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;

1.11 "**Environment**" means all organisms (including humans) and all or any of the following media, namely air (including the air within buildings or other natural or man-made structures above or below ground), water (including surface or ground water) or land;

1.12 "**Environmental Laws**" means all international, European Union, national, state, federal, regional or local laws (including common law, statute law, civil, criminal and administrative law), together with all subordinate legislation, which are in force, relating to all matters relating to the pollution of, or harm to or protection of the Environment;

1.13 "**Estate**" means any interest in land and other immoveable properties;

1.14 "**Funds**" shall have the meaning set out in Clause 8.2;

1.15 "**GST**" means the central tax as defined under the Central Goods and Services Tax Act, 2017, the integrated tax as defined under the Integrated Goods and Services Tax Act, 2017, and the state tax as defined under State Goods and Services Tax statutes;

1.16 "**Intellectual Property**" means:

(a) patents, utility models, rights in inventions, supplementary protection certificates;

(b) rights in information (including know-how, confidential information and trade secrets) and the right to use, and protect the confidentiality of, confidential information;

(c) trade marks, service marks, rights in logos, trade and business names, rights in each of get-up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition and domain names;

(d) copyright, moral rights and related rights, rights in computer software, database rights, rights in designs, and semiconductor topography rights;

(e) any other intellectual property rights; and

(f) all rights or forms of protection, subsisting now or in the future, having equivalent or similar effect to the rights referred to in paragraphs (a) to (e) above,

in each case: (i) anywhere in the world; (ii) whether unregistered or registered (including all applications, rights to apply and rights to claim priority); and (iii) including all divisionals, continuations, continuations-in-part, reissues, extensions, re-examinations and renewals and the right to sue for damages for past and current infringement in respect of any of the same;

1.17 "**IT Act**" means the Income-tax Act, 1961 as may be amended or supplemented from time to time (and any successor provisions or law), including any statutory modifications or reenactments thereof together with all applicable by-laws, rules, regulations, orders, ordinances, directions including circulars and notifications and similar legal enactments, in each case issued under the Income-tax Act, 1961;

1.18 "**Liabilities**" means all liabilities, duties and obligations of every description, whether deriving from contract or under Applicable Law or otherwise, whether present or future, actual or contingent or ascertained or unascertained and whether owed or incurred severally or jointly or as principal or surety along with any Encumbrance thereon;

1.19 "**National Company Law Tribunal**" or "**NCLT**" means the National Company Law Tribunal at Bengaluru having jurisdiction in relation to the Transferor and Transferee and/ or the National Company Law Appellate Tribunal as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230-232 of the Act and shall include, if applicable, such other forum or authority as may be vested with the powers of a tribunal for the purposes of Sections 230-232 of the Act as may be applicable;

1.20 "**New Equity Shares**" shall have the meaning set out in Clause 16.1;

1.21 "**Power Grids Business**" means the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of: (a) power grids automation, (b) power grids integration, (c) high voltage products, and (d) transformers, in each case, carried on by the Transferor;

1.22 "**Record Date**" means a date to be fixed by the Board of the Transferor for the purposes of determining the equity shareholders of the Transferor to whom equity shares of the Transferee would be issued and allotted in accordance with Clause 16;

1.23 "**Registrar of Companies**" means the registrar of companies at Bengaluru, Karnataka;

1.24 "**Retained Business**" means all the undertakings, investments, businesses, activities and operations of the Transferor except those comprised in the Demerged Undertaking and including, for the avoidance of doubt, the Transferor's undertakings, investments, businesses, activities and operations (if any) relating to the EPC substations business and electrical balance of plants business, in each case, as identified by the Boards of the Transferor and the Transferee;

1.25 "**Sanction Order**" means the order of the NCLT sanctioning this Scheme;

1.26 "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

1.27 "**SEBI Scheme Circular**" shall mean circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended) on Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 issued by SEBI;

1.28 "**Securities Act**" shall have the meaning set out in Clause 16.10;

1.29 "**Stock Exchanges**" means the BSE Limited and the National Stock Exchange of India Limited;

1.30 "**Share Entitlement Ratio**" shall have the meaning set out in Clause 16.1;

1.31 "**Tax**" or "**Taxes**" means and include any tax, whether direct or indirect, including income tax (including withholding tax, dividend distribution tax), GST, excise duty, VAT, CST, service tax, octroi, local body tax and customs duty, duties, charges, fees, levies or other similar assessments by or payable to an Appropriate Authority, including in relation to (a) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (b) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof;

1.32 "**Tax Laws**" shall have the meaning set out in Clause 12.1(a);

1.33 "**Transferred Employees**" shall have the meaning set out in Clause 8.1;

1.34 "**Transferor Liabilities**" means:

(a) any Liabilities relating to the Retained Business; and

(b) any Taxes which the Transferor is liable to pay to any Appropriate Authority under Applicable Law which arise exclusively or predominantly out of the activities or operations of the Demerged Undertaking upto the Appointed Date.

2. INTERPRETATION

2.1 References to Clauses, unless otherwise provided, are to clauses of and to this Scheme.

2.2 The headings herein shall not affect the construction of this Scheme.

2.3 Unless the context otherwise requires, reference to any law or to any provision thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a

statutory provision shall include any subordinate legislation made from time to time under that provision.

2.4 The singular shall include the plural and vice versa; and references to one gender include all genders.

2.5 Any phrase introduced by the terms "including", "include" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.6 References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).

2.7 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other Applicable Laws for the time being in force.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

4.1 The authorized, issued, subscribed and paid up share capital of the Transferor as on December 31, 2018 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
21,25,00,000 equity shares of Rs. 2/- each	42,50,00,000
7,50,000 preference shares of Rs. 100/- each	7,50,00,000
TOTAL	50,00,00,000
Issued, subscribed and paid-up Share Capital*	
21,19,08,375 equity shares of Rs. 2 /- each fully paid up	42,38,16,750
TOTAL	**42,38,16,750**

*The equity shares of the Transferor are listed on the Stock Exchanges.

4.2 The authorized, issued, subscribed and paid up share capital of the Transferee as on February 19, 2019 is as under:

Share Capital	Amount (In Rs.)
Authorized Share Capital	
2,50,000 equity shares of Rs. 2/- each	5,00,000
TOTAL	**5,00,000**
Issued, subscribed and paid-up Share Capital	
50,000 equity shares of Rs. 2/- each, fully paid up	1,00,000
TOTAL	**1,00,000**

PART C - TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING FROM THE TRANSFEROR TO THE TRANSFEREE

5. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with Section 2 (19AA) of the IT Act and pursuant to Sections 230-232 of the Act and other Applicable Laws, and pursuant to the Sanction Order, without any further act, instrument or deed, be demerged from the Transferor and stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee as a going concern in the manner set out below.

6. TRANSFER OF ASSETS

6.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with the provisions of this Clause 6 in relation to the mode of transfer and vesting and pursuant to Sections 230-232 of the Act and without any further act or deed, be demerged from the Transferor and be transferred to and vested in or be deemed to have been demerged from the Transferor and transferred to and vested in the Transferee as a going concern without any break or interruptions in the operations thereof so as to become as and from the Appointed Date, the Estate, assets, investments, rights, claims, title, interest and authorities of the Transferee, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.

6.2 Upon the Scheme becoming effective, with effect from the Appointed Date, in respect of such of the assets of the Demerged Undertaking as are movable in nature and/ or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and delivery, including cash and bank balances, units of mutual funds, market instruments and other securities of the Demerged Undertaking, the same shall stand transferred by the Transferor to the Transferee pursuant to the provisions of Sections 230-232 of the Act or be deemed to be transferred by delivery or possession or by endorsement and delivery and without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee subject to the Clauses in this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.

6.3 Without prejudice to the generality of Clause 6.2 but subject to the provisions of Clauses 9 and 12 in relation to Tax, and in respect of movable assets other than those dealt with in Clause 6.2, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any Appropriate Authorities or any other bodies and/ or customers or any other person, if any, forming part of the Demerged Undertaking, whether recoverable in cash or in kind or for value to be received, bank balances, etc., the same shall stand transferred to and vested in the Transferee without any notice or other intimation to any person in pursuance of the provisions of Sections 230-232 read with other relevant provisions of the Act to the end and intent that the right of the Transferor to recover or realize the same stands transferred to the Transferee, and that appropriate entries shall be passed in their respective books to record the aforesaid

change, without any notice or other intimation to such debtors, depositors or persons as the case may be. The Transferee may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Transferee and be paid or made good or held on account of the Transferee as the person entitled thereto.

6.4 Without prejudice to the generality of the foregoing, all assets, Estate, rights, title, remedies, claims, rights of action, interest and authorities held by the Transferor on the Appointed Date forming part of the Demerged Undertaking, not otherwise specified in Clauses 6.1, 6.2 and 6.3, shall also, without any further act, instrument or deed, stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 of the Act.

6.5 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all immovable properties of the Transferor and all the rights, title, interest and claims of the Transferor in any immovable properties including any leasehold/ leave and license/ right of way properties of the Transferor forming part of the Demerged Undertaking, shall, pursuant to Sections 230-232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Transferee on the same terms and conditions.

6.6 All assets, Estate, rights, title, interest and authorities acquired by the Transferor on or after the Appointed Date and prior to the Effective Date forming part of the Demerged Undertaking shall also stand transferred to and vested or be deemed to have been transferred to or vested in the Transferee upon the coming into effect of this Scheme without any further act, instrument or deed.

6.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, all Tax related incentives/holiday benefits, registrations, pre-qualifications, eligibility criterion, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of the Transferor, and the rights and benefits under the same, in so far as they relate to the Demerged Undertaking and all Intellectual Property rights forming part of the Demerged Undertaking including attached goodwill and all other interests relating to the goods or services forming part of the Demerged Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the Transferor forming part of the Demerged Undertaking shall be transferred to and vested in or deemed to have been transferred to or vested in the Transferee and the concerned licensors and grantors of such statutory and regulatory permissions, environmental approvals and consents, registrations, licenses and consents, shall endorse, where necessary, and record, in accordance with Applicable Law, the Transferee on such statutory and regulatory permissions, environmental approvals and consents, registrations, licenses and consents so as to empower and facilitate the transfer and vesting of the Demerged Undertaking in the Transferee and continuation of operations forming part of the Demerged Undertaking in the Transferee without hindrance and that such

statutory and regulatory permissions, environmental approvals and consents, registrations, licenses and consents shall remain in full force and effect in favour of or against the Transferee, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor, the Transferee had been a party or beneficiary or obligee thereto. The Transferor and the Transferee may execute necessary documentation to give effect to the foregoing, where required.

6.8 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, in order to ensure the smooth transition and sales of products and inventory of the Transferor manufactured and/ or branded and/ or labelled and/ or packed in the name of the Transferor prior to the Effective Date insofar as they relate to the Demerged Undertaking, the Transferee shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor at manufacturing locations or warehouses or elsewhere, without making any modifications whatsoever to such products and /or their branding, packing or labelling. All invoices/ payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Transferee after the Effective Date.

7. **TRANSFER** OF LIABILITIES AND ENCUMBRANCES

7.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all Demerged Liabilities, whether or not provided in the books of the Transferor shall without any further act, instrument or deed be and stand transferred to the Transferee to the extent that they are outstanding as on the Effective Date and shall thereupon become as and from the Appointed Date (or in case of any Demerged Liability incurred on a date on or after the Appointed Date, with effect from such date) the debts, duties, obligations, and liabilities of the Transferee, along with any Encumbrance relating thereto, on the same terms and conditions as were applicable to the Transferor and the Transferee undertakes to meet, discharge and satisfy to the exclusion of the Transferor such that the Transferor shall in no event be responsible or liable in relation to any such Demerged Liabilities.

7.2 The term "**Demerged Liabilities**" shall mean:

(a) all Liabilities which relate exclusively or predominantly out of the activities or operations of the Power Grids Business;

(b) Liabilities under Tax Laws which arise exclusively or predominantly out of the activities or operations of the Power Grids Business on or after the Appointed Date. Notwithstanding anything contained in Clause 7.2 (a), any Liabilities under Tax Laws which arise exclusively or predominantly out of the activities or operations of the Power Grids Business prior to the Appointed Date will not constitute Demerged Liabilities even where such Liabilities crystalize after the Appointed Date;

(c) the specific loans or borrowings (including debentures, if any), raised, incurred and utilized solely for the Power Grids Business; and

(d) in cases other than those referred to in Clause 7.2 (a) or Clause 7.2 (c), so much of the amounts of general or multipurpose borrowings, if any, of the Transferor, as stand in the same proportion which the value of the assets transferred pursuant to the Scheme bears to the total value of the assets of the Transferor immediately prior to the Appointed Date.

7.3 In so far as the Demerged Liabilities of the Transferor are concerned, such Demerged Liabilities transferred to the Transferee in terms of this Clause 7, shall, without any further act, instrument or deed, become loans and borrowings of the Transferee, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in the Transferee and shall be exercised by or against the Transferee as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the Transferee.

7.4 Where any of the Demerged Liabilities have been partially or fully discharged by the Transferor on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee. All the Demerged Liabilities and obligations incurred by the Transferor for the operations of the Demerged Undertaking on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee and to the extent any Demerged Liabilities are outstanding on the Effective Date, they shall also without any further act, instrument or deed be and stand transferred to the Transferee and shall become the liabilities and obligations of the Transferee.

7.5 The transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Transferee upon the coming into effect of the Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

7.6 In so far as the existing Encumbrances in respect of the Demerged Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Demerged Liabilities as transferred to the Transferee pursuant to this Scheme and such Encumbrances shall not relate or attach to any of the other assets of the Transferee. Provided that if any of the assets comprised in the Demerged Undertaking which are transferred to the Transferee pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets.

7.7 In so far as the existing Encumbrances over the assets and other properties of the Transferee or any part thereof which relate to the liabilities and obligations of the Transferee prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking transferred to and vested in the Transferee by virtue of the Scheme.

7.8 If any Encumbrance of the Transferor for the operations of the Demerged Undertaking exists as on the Appointed Date, but has been partially or fully released thereafter by the Transferor on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Transferee upon the coming into effect of the Scheme and all Encumbrances incurred by the Transferor for the operations of the Demerged Undertaking on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee, and such Encumbrances shall not attach to any property of the Transferor.

7.9 Subject to the other provisions of this Scheme, in so far as the assets forming part of the Demerged Undertaking are concerned, the Encumbrances, over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of the Transferor pertaining to the Retained Business shall, as and from the Effective Date, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as Encumbrances in relation to liabilities of the Transferor pertaining to the Retained Business which are not transferred to the Transferee pursuant to the Scheme (and which shall continue with the Transferor).

7.10 In so far as the assets of the Retained Business are concerned, the Encumbrances over such assets, to the extent they relate to any Demerged Liabilities shall, without any further act, instrument or deed be released and discharged from such Encumbrances.

7.11 In so far as the existing Encumbrances in respect of the loans and other liabilities relating to the Retained Business are concerned, such Encumbrances shall, without any further act, instrument or deed be continued with the Transferor only on the assets relating to the Retained Business and the assets forming part of the Demerged Undertaking shall stand released therefrom.

7.12 Without prejudice to the provisions of the foregoing Clauses and upon coming into effect of the Scheme, the Transferor and the Transferee shall enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

7.13 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferor alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Retained Business, and the Transferee shall not have any obligations in respect of the debts, liabilities, duties and obligations of the Retained Business. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee alone shall be liable to perform all obligations in respect of Demerged Liabilities, which have been transferred to it in terms of this Scheme, and the Transferor shall not have any obligations in respect of such Demerged Liabilities, save as agreed in writing between the Transferor and the Transferee.

7.14 Any reference in any security documents or arrangements (to which the Transferor is a party) to the Transferor and its assets and properties, which relate to the

Demerged Undertaking, shall be construed as a reference to the Transferee and the assets and properties of the Transferor transferred to the Transferee by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor and the Transferee may execute any instruments or documents or do all acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies to give formal effect to these provisions, if required.

7.15 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.

7.16 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Demerged Liabilities transferred to the Transferee as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

7.17 All cheques and other negotiable instruments, pay orders, electronic fund transfers (such as NEFT, RTGS, etc.) received or presented for encashment which are in the name of the Transferor after the Effective Date, in so far as the same forms part of the Demerged Undertaking, shall be deemed to have been in the name of the Transferee and credited to the account of the Transferee, if presented by the Transferee or received through electronic transfers and shall be accepted by the relevant bankers and credited to the accounts of the Transferee. Similarly, the banker of the Transferee shall honour all cheques/ electronic fund transfer instructions issued by the Transferor (in relation to the Demerged Undertaking for payment after the Effective Date. If required, the bankers of the Transferor and/ or the Transferee shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of the Transferor by the Transferee in relation to the Demerged Undertaking for such time as may be determined to be necessary by the Transferee for presentation and deposit of cheques, pay order and electronic transfers that have been issued/ made in the name of the Transferor.

7.18 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee in terms of Section 180 (1) (c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Demerged Liabilities transferred by Transferor to the Transferee pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Transferee.

7.19 The interests of all the unsecured creditors of the Transferor in connection with the Demerged Undertaking and Transferee remain unaffected by this Scheme as the assets of the Transferee upon the effectiveness of the Scheme will be more than its Liabilities and as such sufficient to discharge such Liabilities.

8. EMPLOYEES

8.1 On the Scheme becoming effective, all employees of the Transferor who are either: (i) primarily engaged in the Power Grids Business; or (ii) jointly identified by the

Board of the Transferor and the Board of the Transferee as being necessary for the proper functioning of the Power Grids Business including its future development, and, in each case, who are in service of the Transferor on the date immediately preceding the Effective Date ("**Transferred Employees**") shall be deemed to have become employees of the Transferee with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee shall not be less favourable than those applicable to them with reference to their employment in the Transferor on the date immediately preceding the Effective Date. Services of the Transferred Employees shall be taken into account from the date of their respective appointment with the Transferor for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor shall also be taken into account. The services of the Transferred Employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor.

8.2 It is expressly provided that, upon the Scheme coming into effect , insofar as the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff and employees of the Transferor (including Transferred Employees) are concerned (collectively referred to as the "**Funds**"), such proportion of the investments made in the Funds which are referable to the Transferred Employees shall be transferred to the similar funds created by the Transferee and shall be held for their benefit pursuant to this Scheme, or at the sole discretion of the Transferee, maintained as separate funds by the Transferee. In the event that the Transferee does not have its own funds in respect of any of the above, the Transferee may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds or discharge such liabilities of the Transferor, in relation to Funds to be maintained for the Transferred Employees, until such time that the Transferee creates its own funds, at which time the Funds and the investments and contributions pertaining to the Transferred Employees shall be transferred to the funds created by the Transferee.

8.3 Further to the transfer of Funds as set out in Clause 8.2, for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, all rights, duties, powers and obligations of the Transferor in relation to the Power Grids Business on and from the Appointed Date in relation to such Fund or Funds shall become those of the Transferee. It is clarified that the services of the Transferred Employees will be treated as having been continuous for the purpose of the Funds.

8.4 In relation to those Transferred Employees who are not covered under the provident fund trust of the Transferor, and for whom the Transferor is making contributions to the government provident fund, the Transferee shall be deemed to be substituted for the Transferor on and from the Appointed Date for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in

accordance with the provisions of such fund, bye laws, etc. in respect of such Transferred Employees.

8.5 In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the Transferred Employees, the Transferee shall be deemed to be substituted for the Transferor on and from the Appointed Date for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of the Transferred Employees.

8.6 In so far as the existing benefits or funds created by the Transferor for the employees of the Retained Business are concerned, the same shall continue and the Transferor shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and such benefits or funds, if any, shall be held *inter alia* for the benefit of the employees of the Retained Business, and the Transferee shall have no liability in respect thereof.

9. LEGAL AND OTHER PROCEEDINGS

9.1 Upon the coming into effect of this Scheme, subject to the provisions of Clause 9.2 in relation to Tax proceedings, if any suit, appeal, legal or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any Applicable Law, by or against the Transferor in relation to the Demerged Undertaking is pending on the Effective Date or is instituted any time thereafter, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other proceedings shall be continued, prosecuted and enforced by or against the Transferee, as the case may be, after the Effective Date, in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Transferor in relation to Demerged Undertaking as if this Scheme had not been made.

9.2 The provisions of this Clause 9.2 shall apply to any suit, appeal, legal or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any Tax Law relating to the Demerged Undertaking. Any such proceedings in relation to the Demerged Undertaking and pertaining to the period prior to the Appointed Date, whether pending on the Effective Date or instituted at any time thereafter, shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but shall be continued, prosecuted and enforced by or against the Transferor. Any such proceedings in relation to the Demerged Undertaking and pertaining to the period on or after the Appointed Date shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, and shall be continued, prosecuted and enforced by or against the Transferee, as the case may be, after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor in relation to Demerged Undertaking as if this Scheme had not been made.

9.3 If any proceedings are taken against the Transferor in respect of the matters referred to in this Clause 9, which is the responsibility of the Transferee, the Transferor shall

defend the same in accordance with the advice of the Transferee and at the cost of the Transferee, and the Transferee shall reimburse and indemnify the Transferor against all liabilities and obligations incurred by the Transferor in respect thereof. If any proceedings are taken against the Transferee in respect of the matters referred to in this Clause 9, which is the responsibility of the Transferor, the Transferee shall defend the same in accordance with the advice of the Transferor and at the cost of the Transferor, and the Transferor shall reimburse and indemnify the Transferee against all liabilities and obligations incurred by the Transferee in respect thereof.

9.4 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor in relation to the Demerged Undertaking and which are the responsibility of the Transferee under this Clause 9, the Transferee shall be made party thereto and shall prosecute or defend such proceedings in co-operation with the Transferor and any payment and expenses made thereto shall be the liability of the Transferee. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferee in relation to the Retained Business and which are the responsibility of the Transferor under this Clause 9, the Transferor shall be made party thereto and shall prosecute or defend such proceedings in co-operation with the Transferee and any payment and expenses made thereto shall be the liability of the Transferor.

9.5 The Transferee undertakes to have all legal or other proceedings initiated by or against the Transferor and which is the responsibility of the Transferee under this Clause 9 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee to the exclusion of the Transferor. The Transferor undertakes to have all legal or other proceedings initiated by or against the Transferee and which are the responsibility of the Transferor under this Clause 9 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferor to the exclusion of the Transferee. Both the Transferor and the Transferee shall make relevant applications in that behalf.

10. CONTRACTS, DEEDS, ETC.

10.1 Upon coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature forming part of the Demerged Undertaking to which the Transferor is a party or to the benefit of which the Transferor is eligible and which is subsisting or having effect on the Effective Date, shall without any further act or deed, continue in full force and effect against or in favour of the Transferee and may be enforced by or against the Transferee as fully and effectually as if, instead of the Transferor, the Transferee had been a party thereto.

10.2 The Transferee may at its sole discretion enter into and/or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The Transferee shall be deemed to be authorised to execute any such deeds, writings or confirmations on

behalf of the Transferor for the Demerged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

10.3 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Transferee may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme. The Transferee shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor to be carried out or performed.

10.4 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, pre-qualifications, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor in relation to the Demerged Undertaking, including by any Appropriate Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to the Transferee as if the same were originally given by, issued to or executed in favour of the Transferee, and the Transferee shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee. The Transferee shall make necessary applications/ file relevant forms to any Appropriate Authority as may be necessary in this behalf.

10.5 Without prejudice to the aforesaid, it is clarified that if any assets (Estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Transferor owns or to which the Transferor is a party to, cannot be transferred to the Transferee for any reason whatsoever:

(a) the Transferor shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee, insofar as it is permissible so to do, till such time as their transfer is effected;

(b) the Transferor and Transferee shall, however, between themselves, treat each other as if that all contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking had been transferred to the Transferee on the Effective Date; and

(c) the Transferee shall perform or assist the Transferor in performing all of the obligations under those contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, to be discharged after the Effective Date.

11. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the Scheme, the transfer of the Demerged Undertaking to the Transferee and the continuance of legal proceedings by or against the Transferee shall not affect any transaction or proceedings already concluded by the Transferor for the Power Grids Business, to the end and intent that the Transferee accepts and adopts all acts, deeds and things done and executed by the Transferor for the Power Grids Business in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Transferee.

12. TAXATION MATTERS

12.1 Notwithstanding anything to the contrary contained in this Scheme, upon effectiveness of this Scheme:

(a) the Transferor shall be liable for any Tax payable to Appropriate Authorities under Applicable Laws relating to Tax ("**Tax Laws**") and shall be entitled to any refunds of Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking prior to the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Transferor and whether such payments or receipts are due or realised on, before or after the Appointed Date; and

(b) the Transferee shall be liable for any Tax payable to Appropriate Authorities under Tax Laws and shall be entitled to refunds of any Tax from Appropriate Authorities under Tax Laws, which, in each case, arise from the operation or activities of the Demerged Undertaking on or after the Appointed Date, regardless of whether such payments or receipts are provided or recorded in the books of the Transferor and whether such payments or receipts are due or realised on, before or after the Appointed Date.

12.2 Upon effectiveness of this Scheme, all Taxes paid or payable by the Transferor in respect of the operations and/ or the profits of the Demerged Undertaking on and from the Appointed Date, shall be on account of the Transferee. Upon effectiveness of this Scheme, the payment of any Tax, whether by way of deduction at source (including foreign tax credit), advance tax, self assessment tax, minimum alternate tax, or otherwise howsoever, by the Transferor in respect of the activities or operations of the Demerged Undertaking on and from the Appointed Date, shall be deemed to have been paid by the Transferee, and, shall, in all proceedings, be dealt with accordingly.

12.3 Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking prior to the Appointed Date shall belong to and be received by the Transferor, even if the prescribed time limits for claiming such refunds or credits have lapsed. Any refund of Tax paid under Tax Laws including income tax, sales tax, value added tax, service tax, GST, CENVAT or any other Tax, in relation to the operation and activities of the Demerged Undertaking on or after the Appointed Date shall belong to and be received by the Transferee, even if the prescribed time limits for claiming such refunds or credits

have lapsed.

12.4 Any Tax incentives, subsidies, exemptions, special status, tax benefits (including but not limited to export incentives, credits/ incentives in respect of income tax, sales tax, value added tax, GST, turnover tax, excise duty, service tax etc.), duty drawbacks, and other benefits, credits, exemptions or privileges enjoyed, granted by an Appropriate Authority or availed of by the Transferor shall, without any further act or deed, in so far as they relate to or are available for the operation and activities of the Demerged Undertaking on or after the Appointed Date, vest with and be available to Transferee on the same terms and conditions, as if the same had been allotted and / or granted and / or sanctioned and / or allowed to the Transferee.

12.5 Each of the Transferee and the Transferor shall be entitled to file/ revise its income-tax returns, TDS certificates, TDS returns, GST returns and other statutory returns, notwithstanding that the period for filing / revising such returns may have lapsed and to obtain TDS certificates, including TDS certificates relating to transactions between or amongst the Transferor and the Transferee and shall have the right to claim refunds, advance Tax credits, input Tax credit, credits of all Taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.

12.6 Any actions taken by the Transferor to comply with Tax Laws (including payment of Taxes, maintenance of records, payments, returns, Tax filings, etc.) in respect of the Demerged Undertaking on and from the Appointed Date upto the Effective Date shall be considered as adequate compliance by the Transferor with such requirements under Tax Laws and such actions shall be deemed to constitute adequate compliance by the Transferee with the relevant obligations under such Tax Laws.

12.7 Any unutilized GST credits pertaining to the Demerged Undertaking and available in the electronic input GST credit ledger of Transferor maintained by GSTN or as per Transferor's books of accounts, whichever is lower, shall, notwithstanding anything contained in this Clause 12, be transferred by the Transferor to the Transferee in accordance with Applicable Laws. The Transferor and Transferee shall take such actions as may be necessary under Applicable Law to effect such transfer. GST credits and GST Liability pertaining to the activities or operations of the Demerged Undertaking between the Appointed Date and the Effective Date shall, notwithstanding anything contained in this Clause 12 be dealt with in accordance with Applicable Laws.

12.8 All Liabilities under Tax Laws which relate exclusively or predominantly to the activities or operations of the Power Grids Business prior to the Appointed Date shall remain the Liabilities of the Transferor after the Effective Date, regardless of whether such Liabilities arise on or after the Appointed Date. All Liabilities under Tax Laws which relate exclusively or predominantly to the activities or operations of the Power Grids Business on or after the Appointed Date shall become the Liabilities of the Transferee upon effectiveness of the Scheme.

12.9 If the Transferor makes any payment to discharge any Liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Power Grids Business on or after the Appointed Date, the Transferee shall promptly pay or reimburse the Transferor for such payment. If the Transferee makes any payment

to discharge any Liabilities under Tax Laws that relate exclusively or predominantly to the activities or operations of the Power Grids Business prior to the Appointed Date, the Transferor shall promptly pay or reimburse the Transferee for such payment.

13. DIVIDEND

13.1 The Transferor shall be entitled to declare and pay dividends, whether interim or final, to their shareholders in respect of the accounting period prior to the Appointed Date.

13.2 It is clarified that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not confer or be deemed to confer any right on any shareholder of the Transferor to demand or claim any dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of the Transferor and subject to the approval, if required, of the shareholders of the Transferor.

14. VALIDITY OF EXISTING RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions, if any, of the Transferor relating to the Demerged Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Transferee, and shall constitute the aggregate of the said limits in the Transferee.

15. RETAINED BUSINESS AND TRANSFEROR LIABILITIES

15.1 The Retained Business and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor, and the Transferee shall have no right, claim or obligation in relation to the Retained Business and nothing in this Scheme shall operate to transfer any of the Retained Business to the Transferee or to make the Transferee liable for any of the Transferor Liabilities.

15.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor under any statute, whether relating to the period prior to, on or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Retained Business or the Transferor Liabilities (including those relating to any property, right, power, liability, obligation or duty of the Transferor in respect of the Retained Business or the Transferor Liabilities and any income tax related Liabilities) shall be continued and enforced by or against the Transferor even after the Effective Date.

15.3 With effect from the Appointed Date and up to and including the Effective Date:

(a) the Transferor shall carry on and shall be deemed to have been carrying on all business and activities relating to the Retained Business for and on its own behalf;

(b) all profits accruing to the Transferor or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Retained Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor; and

(c) all assets and properties acquired by the Transferor in relation to the Retained Business on and after the Appointed Date shall belong to and continue to remain vested in the Transferor.

16. CONSIDERATION FOR DEMERGER

16.1 Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking from the Transferor to the Transferee in terms of this Scheme, the Transferee shall, without any further application, act, instrument or deed and without any payment by the shareholders, issue and allot equity shares, credited as fully paid-up, to the shareholders of the Transferor, holding fully paid up equity shares in the Transferor and whose names appear in the register of members (including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996) of the Transferor on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner/ratio:

*"1 (one) fully paid up equity share of Rs. 2/- (Rupees Two only) each of the Transferee shall be issued and allotted for every 5 (five) fully paid up equity shares of Rs. 2/- (Rupees Two only) each held in the Transferor" ("**Share Entitlement Ratio**")*

The shares issued by the Transferee pursuant to this Clause 16 are hereinafter referred to as "**New Equity Shares**".

16.2 The New Equity Shares shall be subject to the Scheme, the memorandum and articles of association of the Transferee and Applicable Laws and shall rank *pari passu* with the equity shares of the Transferee.

16.3 If the allotment of shares pursuant to this Clause 16 will result in any shareholders being issued fractional shares, the Board of the Transferee shall, at its absolute discretion, decide to take any or a combination of the following actions:

(a) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/ trustee authorized by the Board of the Transferee in this behalf who shall hold the shares in trust on behalf of the shareholders of the Transferor entitled to fractional entitlements with the express understanding that such person shall sell the shares of the Transferee so allotted on the Stock Exchanges at such time or times and at such price or prices and to such person, as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses

as applicable, to the shareholders of the Transferor in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person authorized by the Board of the Transferee by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer.

(b) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Transferor and the Transferee.

16.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor, the Board of the Transferor shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of equity shares in the Transferor, after the effectiveness of this Scheme.

16.5 Without prejudice to the generality of Clause 16.1, the Transferor and the Transferee shall, if and to the extent required, apply for and obtain any approvals from concerned Appropriate Authorities and undertake necessary compliance for the issuance and allotment of the New Equity Shares.

16.6 The New Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of the Transferor in dematerialized form, into the account in which shares of the Transferor are held or such other account as is intimated in writing by the shareholders to the Transferor and/ or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. All those shareholders who hold shares of the Transferor in physical form shall also have the option to receive the New Equity Shares, as the case may be, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferor and/ or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor in physical form 30 (thirty) days before the Record Date, then the Transferee may allot physical shares to such shareholder.

16.7 The New Equity Shares to be issued by the Transferee, pursuant to Clause 16 in respect of any equity shares of the Transferor which are held in abeyance under the provisions of Section 126 of the Act or which the Transferee is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Transferee.

16.8 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee shall stand suitably increased consequent upon the issuance of the New Equity Shares in accordance with this Clause 16. Approval of this Scheme by the equity shareholders of the Transferee shall be deemed to be in due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue

and allotment of the New Equity Shares as on the Record Date, as provided in this Scheme.

16.9 The New Equity Shares will be listed and/ or admitted to trading on the Stock Exchanges. The Transferee shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the Applicable Laws or regulations for the Transferee with the formalities of the Stock Exchanges. The New Equity Shares shall remain frozen in the depositories system till listing and trading permission is given by the designated stock exchange. There shall be no change in the shareholding pattern or control in the Transferee between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges, other than as provided in the Scheme.

16.10 The New Equity Shares may not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and the Transferee may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Transferee may elect to rely upon. In the event the Transferee elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the NCLT to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the New Equity Shares of the Transferee for such exemption.

17. CANCELLATION OF SHARE CAPITAL

17.1 Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230-232 of the Act, the existing shareholding of the Transferor in the Transferee shall stand cancelled without any further act, instrument or deed immediately following the issuance of the New Equity Shares in accordance with the Scheme.

17.2 The consequent reduction of share capital of the Transferee shall be an integral part of this Scheme and the Transferor and the Transferee shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.

17.3 The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.

18. ACCOUNTING TREATMENT

18.1 **In the books of the Transferor**

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

(a) Upon coming into effect of this Scheme, the transfer of the Demerged Undertaking shall be accounted for in the books of the Transferor in accordance with the applicable accounting standards prescribed under Section 133 of the Act and/or as per generally accepted accounting principles.

(b) The Transferor, as on the Appointed Date shall reduce the carrying value of assets and liabilities as well as the reserves pertaining to the Demerged Undertaking at its carrying values. The reserves of the Demerged Undertaking will be computed based on the net assets of the Demerged Undertaking being transferred in proportion to the net assets of the Retained Business.

(c) The book values, as on the Appointed Date, of net assets (assets minus liabilities) and reserves as computed in Clause 18.1 (b) above comprised in the Demerged Undertaking transferred to the Transferee shall be accounted for as follows:

(i) In case the assets of the Demerged Undertaking transferred exceeds the liabilities and the reserves of the Demerged Undertaking so transferred, then such excess will be debited to the securities premium account and balance, if any will be debited to the capital reserve account.

(ii) In case the liabilities and the reserves of the Demerged Undertaking exceeds the assets of the Demerged Undertaking so transferred, then such excess will be credited to the capital reserve account.

(d) The adjustment/utilization of the securities premium account, if any, as stated in Clause 18.1 (c) above and reduction thereof will be effected as a part of the Scheme, in accordance with Section 52 of the Act and the Sanction Order shall be deemed to be also the order under the applicable provisions of the Act, for confirming the utilization / reduction of the securities premium account. The reduction in the securities premium account of the Transferor, shall be effected as an integral part of the Scheme, without any further act, instrument or deed on the part of the Transferor or its shareholders and without any approval or acknowledgment of any third party and provisions of Section 66 of the Act shall not require to be followed for such reduction. It is expressly clarified that the consent of the shareholders and the creditors of the Transferor to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction of the securities premium account of the Transferor.

18.2 **In the books of the Transferee**

(a) Upon coming into effect of this Scheme, transfer of the Demerged Undertaking shall be accounted for in the books of the Transferee using the pooling of interests method in accordance with Appendix C to Ind AS 103 – Business combinations of entities under common control.

(b) Upon coming into effect of this Scheme, the Transferee shall record the assets and liabilities as well as the reserves, of the Demerged Undertaking vested in it pursuant to this Scheme, at their respective carrying values of the Transferor. The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee in the same form in which they appeared in the financial statements of the Transferor.

(c) The Transferee shall credit to its share capital, and record the New Equity Shares issued and allotted by it pursuant to Clause 16 of the Scheme at par value.

(d) The excess, if any, between the carrying value of assets, liabilities and reserve balances under Clause 18.2 (b) above transferred to the Transferee and the consideration discharged by way of the New Equity Shares issued as per Clause 18.2 (c) above to the shareholders of the Transferor in lieu of the Demerged Undertaking shall be recorded as capital reserve in the books of the Transferee.

(e) The deficit, if any, between the carrying value of assets, liabilities and reserves under Clause 18.2 (b) above transferred to the Transferee and the consideration discharged by way of the New Equity Shares issued as per Clause 18.2 (c) above to the shareholders of the Transferor in lieu of the Demerged Undertaking shall be recorded as 'Amalgamation Adjustment Deficit Account' in the books of the Transferee which is in the nature of debit balance in profit and loss account.

(f) In case of any difference in the accounting policy between the Transferee and the Demerged Undertaking of the Transferor, the impact of the same will be quantified and adjusted in the capital reserve / Amalgamation Adjustment Deficit Account as applicable of the Transferee to ensure that the financial statement of the Transferee reflect the financial position on the basis of consistent accounting policy.

19. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

19.1 From the Appointed Date, the Transferor shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its Estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for the Transferee.

19.2 The Transferor undertakes that from the Appointed Date until the Effective Date, it will preserve and carry on the business of the Demerged Undertaking with diligence and in the ordinary course. From the Appointed Date until the Effective Date, the Transferor shall not, except with the prior consent of the Transferee, materially alter the terms of employment of the Transferred Employees or terminate any Transferred Employees except in accordance with their respective employment contracts.

19.3 Without prejudice to the generality of Clause 19.2, neither the Transferor nor the Transferee shall take, enter into, perform or undertake, as applicable: (i) any material decision in relation to its business and affairs and operations as forming part of, in case of the Transferor, the Power Grids Business and in case of the Transferee, to its entire business; and (ii) any agreement or transaction, which is not in the ordinary course of business as carried on by it as on March 5, 2019, without the prior written consent of the Board of the other company or except as mutually agreed between the Transferor and the Transferee in writing.

19.4 All the profits or income accruing or arising to the Transferor and expenditure or losses arising or incurred or suffered by the Transferor which form part of Demerged Undertaking, for the period commencing from the Appointed Date shall, for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Transferee.

19.5 Upon the Scheme becoming effective and with effect from the Appointed Date, any of the rights, powers, authorities or privileges attached, related or forming part of the Demerged Undertaking, exercised by the Transferor shall be deemed to have been exercised by the Transferor for and on behalf of, and in trust for the Transferee. Similarly, any of the obligations, duties and commitments attached, related or forming part of the Demerged Undertaking that have been undertaken or discharged by the Transferor shall be deemed to have been undertaken/ discharged for and on behalf of the Transferee.

19.6 The Transferor and the Transferee shall be entitled, pending sanction of the Scheme, to apply to all Appropriate Authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions, which may be required in connection with this Scheme.

19.7 With effect from the Effective Date, the Transferee shall commence and carry on and shall be authorized to carry on the Power Grids Business which was earlier carried on by the Transferor.

PART D - GENERAL TERMS AND CONDITIONS

20. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE

20.1 **Increase of authorised share capital**

(a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferee shall stand suitably increased, without any further act, instrument or deed on the part of the Transferee for the purpose of issue of shares as per Clause 16, as on the Effective Date such that upon the effectiveness of the Scheme, the authorised share capital of the Transferee shall be Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 2/- (Rupees Two only) each. Clause 5 of the memorandum of association of the Transferee shall be altered as set out below, upon coming into effect of the Scheme and without any further act or deed:

"5. The authorized share capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 2/- (Rupees Two only) each."

(b) As an integral part of the Scheme, and upon coming into effect of the Scheme, the articles of association of the Transferee shall stand amended and reinstated to replicate the articles of a listed company and in such form as the Board of the Transferee may determine.

(c) Pursuant to this Scheme, the Transferee shall file the requisite forms with the Registrar of Companies for alteration of its authorized share capital.

(d) The amendments pursuant to this Clause 20 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of the Transferee, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Act for amendment of the memorandum and articles of association of the Transferee and shall not be required to pass separate resolutions under the applicable provisions of the Act.

(e) It is hereby clarified that for the purposes of this Clause 20, the consent of the shareholders of the Transferee to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or increase in authorised share capital of the Transferee, and no further resolution under Section 13, Section 14, Section 42, Section 61, Section 62 and Section 64 of the Act or any other applicable provisions of the Act, would be required to be separately passed.

20.2 **Issue and allotment of securities**

(a) Where any securities are to be allotted to the heirs, executors, administrators, legal representatives or other successors in title, as the case may be, of any security holders, the concerned heirs, executors, administrators, legal representatives or other successors in title shall be obliged to produce evidence of title, satisfactory to the Board of the Transferee as a condition to such allotment.

(b) In the event of there being any pending share transfer, whether lodged or outstanding, of any member of the Transferor, the Board of the Transferor shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transferor or the transferee of equity shares in the Transferor after the Scheme becomes effective. The Boards of the Transferor and Transferee, jointly, shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee, on account of difficulties faced in the transaction period.

21. CHANGE IN CAPITAL STRUCTURE OF THE TRANSFEROR/ TRANSFEREE

21.1 Without prejudice to the generality of this Scheme, during the period between the date of approval of the Scheme by the respective Boards and up to and including the date of allotment of the New Equity Shares pursuant to this Scheme, neither the Transferor nor the Transferee shall make any change in its capital structure, whether by way of increase (including by issue of equity shares on a rights basis, issue of bonus shares) decrease, reduction, reclassification, sub-division or consolidation, re-organisation of share capital, or in any other manner which may, in any way,

affect the issuance of the New Equity Shares as per Clause 16, except under any of the following circumstances:

(a) by mutual written consent of the respective Boards of the Transferor and the Transferee; or

(b) as may be expressly permitted under this Scheme.

21.2 In the event of any such change in share capital of the Transferor or the Transferee before the issuance of the New Equity Shares to the shareholders of the Transferor pursuant to Clause 16, the Share Entitlement Ratio shall be appropriately adjusted to take into account the effect of such issuance or corporate actions.

22. APPLICATION TO NCLT

22.1 The Transferor and the Transferee shall, without undue delay, make all necessary applications to SEBI/ Stock Exchanges in connection with the Scheme and make applications and petitions to NCLT for sanctioning this Scheme under Sections 230-232 of the Act and other applicable provisions of the Act, including seeking such orders for convening and holding or alternatively, dispensing with requirements for convening and holding meetings of the shareholders and/ or creditors of the Transferor and Transferee as may be directed by the NCLT and obtain such other approvals, as required by Applicable Law.

22.2 The Transferor and the Transferee shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Transferor and the Transferee, which the Transferor and the Transferee may be required to effect the transactions contemplated under the Scheme or carry on the Power Grids Business, in any case subject to the terms as may be mutually agreed between the Transferor and the Transferee.

23. MODIFICATION OR AMENDMENTS TO THE SCHEME

23.1 Any modifications/ amendments or additions/ deletions to the Scheme may only be made with the approval of the respective Boards of the Transferor and the Transferee. The aforesaid powers of the Transferor and the Transferee to give effect to the modification/ amendments to the Scheme may be exercised subject to approval of NCLT or any other Appropriate Authorities as may be required under Applicable Law.

23.2 The Transferor and the Transferee agree that if, at any time, either of the NCLT or any Appropriate Authority directs or requires any modification or amendment of the Scheme, such modification or amendment shall not, to the extent it adversely affects the interests of the Transferor and /or the Transferee, be binding on the Transferor and the Transferee, as the case may be, except where the prior written consent of the affected party i.e. the Transferor and /or the Transferee, as the case may be, has been obtained for such modification or amendment, which consent shall not be unreasonably withheld by the Transferor and the Transferee, as the case may be.

23.3 If the Transferor and the Transferee are desirous of making any material modification to the provisions of the Scheme after receipt of approval of SEBI to the Scheme, such modification shall be subject to approval of SEBI of such modification or any further modifications as may be required by SEBI.

23.4 Either the Transferor or the Transferee (acting through its Board) may, in their full and absolute discretion, jointly and as mutually agreed in writing, modify, vary or withdraw this Scheme at any time prior to the Effective Date in any manner, provided that any modification to or variation or withdrawal of the Scheme by the Transferor and the Transferee, after receipt of sanction by the NCLT, shall be made only with the prior approval of the NCLT.

23.5 The Transferor and the Transferee (through their respective Boards) shall determine jointly whether any asset, liability, employee, legal or other proceedings forms part of the Power Grids Business or not, on the basis of any evidence that they may deem relevant for this purpose. The determination by the Boards of the Transferor and the Transferee in this regard shall be final.

24. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to:

(a) the Scheme being approved by the respective requisite majorities of the shareholders and/ or creditors (wherever applicable) of the Transferor and the Transferee as required under the Act;

(b) receipt of approvals of the relevant Stock Exchanges where the equity shares of the Transferor are listed and traded, and SEBI, in terms of paragraph 2 of SEBI Scheme Circular read with paragraph I. B (4) and I. C (2) of Annexure I to the SEBI Scheme Circular;

(c) the receipt or waiver (where permissible) of any approvals from third parties mutually agreed by the Transferor and the Transferee as being required for completion of the Demerger;

(d) the Scheme being sanctioned by the NCLT in terms of Sections 230-232 and other relevant provisions of the Act; and

(e) the certified copies of the Sanction Order(s) of NCLT sanctioning this Scheme being filed with the Registrar of Companies by the Transferor and Transferee.

25. EFFECT OF NON-RECEIPT OF APPROVALS

25.1 If any of the sanctions and approvals referred to in Clause 24 are not obtained (or to the extent permissible under Applicable Law, waived) and/ or the Scheme is not sanctioned by NCLT or the Sanction Order(s) is not passed by the NCLT as aforesaid on or prior to December 31, 2019, or within such further period as may be agreed upon between the respective Boards of the Transferor and Transferee, the Boards of the Transferor and the Transferee may opt to terminate this Scheme and then in such cases, the Scheme shall stand terminated, revoked, cancelled and be

null and void and of no effect and the Transferor and the Transferee, if required, may file appropriate proceedings before the NCLT in this respect.

25.2 Upon the termination, revocation or cancellation of this Scheme as set out in Clause 25.1, no rights and liabilities shall accrue to or be incurred by the Transferor and the Transferee or their shareholders or creditors or employees or any other person. In such case, each of the Transferor and the Transferee shall bear its own costs and expenses or as may be otherwise mutually agreed.

26. REMOVAL OF DIFFICULTIES

The Transferor and the Transferee through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may:

(a) give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and

(b) do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

27. RESIDUAL PROVISIONS

Upon this Scheme becoming effective, the accounts of the Transferor and the Transferee, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

28. RETRANSFER IN CERTAIN CASES

28.1 Subject to Clause 10.5, no part of the Demerged Undertaking shall be retained by the Transferor after the Effective Date pursuant to the Demerger. If any part of the Demerged Undertaking is inadvertently retained by the Transferor after the Effective Date, the Transferor shall take such actions as may be reasonably required to ensure that such part of the Demerged Undertaking is transferred to the Transferee promptly and for no further consideration. The Transferor shall bear all costs and expenses as may be required to be incurred by the Transferor, subject to the prior written consent of the Transferee, for giving effect to this Clause.

28.2 No part of the Retained Business shall be transferred to the Transferee after the Effective Date pursuant to the Demerger. If any part of the Retained Business is inadvertently held by the Transferee after the Effective Date, the Transferee shall take such actions as may be reasonably required to ensure that such part of the Retained Business is transferred back to the Transferor, promptly and for no

consideration. The Transferee shall bear all costs and expenses as may be incurred by each of the Transferor or the Transferee for giving effect to this Clause.

28.3 If the Transferor realizes any amounts after the Effective Date that form part of the Demerged Undertaking, it shall immediately make payment of such amounts to the Transferee. It is clarified that all receivables relating to the Demerged Undertaking, for the period prior to the Effective Date, but received after the Effective Date, relate to the Demerged Undertaking and shall be paid to the Transferee for no additional consideration. If the Transferee realizes any amounts after the Effective Date that pertains to the Retained Business, the Transferee shall immediately pay such amounts to the Transferor.

29. COSTS, CHARGES & EXPENSES

The Transferor and the Transferee shall bear all costs, charges and expenses, in relation to or in connection with or incidental to this Scheme including, without limitation, stamp duty, registration charges and other transfer charges in relation to the Scheme and the matters contemplated herein in equal proportion.

Annexure II A

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5 March 2019

MARCH 5, 2019

To
The Board of Directors
ABB India Limited
World Trade Centre, 21st Floor Brigade Gateway,
No. 26/1, Dr. Rajkumar Road,
Malleshwaram West, Bengaluru – 560055.

Re: Recommendation of share entitlement ratio for the proposed Demerger of Power Grids division of ABB India Limited into ABB Power Products and Systems India Limited

Dear Sirs/Madam,

We refer to the engagement letter ("EL") dated 23 February 2019 wherein ABB India Limited ("ABB India" or the "Transferor Company" or the "Client") has requested S R B C & CO LLP (hereinafter referred to as "SRB" or "we" or "us") to recommend a share entitlement ratio for the proposed demerger of Power Grids division ("PG division") of ABB India to ABB Power Products and Systems India Limited ("ABB Power" or the "Transferee Company").

ABB India and ABB Power shall hereinafter be collectively referred to as "Companies".

SCOPE AND PURPOSE OF THIS REPORT

ABB India is engaged in the business of power and automation technology products to utilities, industries, channel partners and Original Equipment Manufacturers worldwide. It was incorporated in 1949 and is based in Bengaluru, India. The equity shares of the Transferor Company have been listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Transferor Company was formerly known as ABB Limited and changed its name to ABB India Limited in June 2013. For the calendar year ended 31 December 2018 (CY18), ABB India reported revenues of INR 108,619 million (mn) and profit after tax (PAT) of INR 5,109 mn.

ABB India operates through four divisions and business is primarily classified into the following divisions:

1. The Power Grids division ("PG division") is engaged in the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of: (a) power grids automation, (b) power grids integration, (c) high voltage products, and (d) transformers, in each case, carried on by the Transferor Company.
2. The Robotics and Motion segment manufactures motors, generators, drives, and robotics, which provides power, motion and control for a range of automation applications.

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3. The Electrification Products segment provides a range of digital and connected low and medium-voltage products, including EV infrastructure products, solar inverters, modular substations, distribution automation products, power protection products, wiring accessories, switchgears, enclosures, cables, and sensing and control products.
4. The Industrial Automation division offers products, systems, and services, such as turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance, and industry specific products for the optimization of the productivity of industrial processes in oil and gas, power, chemicals and pharmaceuticals, pulp and paper, metals and minerals, marine, and turbocharging industries.

"Hereinafter, all the business divisions other than PG division are referred to as Non-PG division"

ABB Power Products and Systems India Limited ("ABB Power") was incorporated on 19 February 2019 as a wholly owned subsidiary of the ABB India. The issued and subscribed equity share capital of ABB Power as at 5 March 2019 was INR 0.1 mn consisting of 0.05 mn equity shares of face value of INR 2 each fully paid up. We have been represented that ABB Power was incorporated specifically for acquiring the PG division on a going concern basis.

We understand that the Management of the Companies intend to demerge the PG division of ABB India into ABB Power ("Proposed Demerger") with effect from 01 April 2019 (Opening of Business Hours) or such other date as the NCLT may direct/ allow ("Appointed Date"). This is sought to be achieved by a Composite Scheme of Arrangement (hereinafter referred to as the "Scheme") under Sections 230-232 and other applicable provisions of the Companies Act, 2013. Under the Scheme, the shareholders of ABB India would be issued equity shares of ABB Power as a consideration for the Proposed Demerger. The equity shares held by ABB India and its nominees in ABB Power shall stand cancelled following the issuance of shares of Transferee Company to the shareholders of the Transferor Company.

As informed to us, ABB India will file the Scheme before the honourable Bengaluru Bench of the National Company Law Tribunal (NCLT) as per the requirement of the Company Act, 2013, for the approval of the Scheme.

In this connection, we have been requested to recommend the share entitlement ratio for the Proposed Demerger ("Purpose").

This Report is our deliverable in respect of the same.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This Report has been issued only for the purpose of facilitating the demerger of PG division of ABB India into ABB Power and should not be used for any other purpose.



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SOURCES OF INFORMATION

The following information, as provided by the Management, verbally or in written form have, inter-alia, been used in the Report:

1) With respect to ABB India
   - Audited financial statements (including balance sheets and statement of profit and loss along with notes to account) for the years CY16 and CY17
   - Audited financial statement (Balance sheet and statement of profit and loss) for the year CY18
   - Details of issued share capital along with the shareholding pattern as at 5 March 2019

2) With respect to ABB Power
   - Details of issued share capital as at 5 March 2019

3) With respect to PG and Non-PG division
   - Historical carved-out financial information (including balance sheets and statement of profit and loss along excluding notes to account) of PG and Non-PG division for the years CY16 to CY18.

4) Draft scheme of Arrangement for the Demerger of PG division into ABB Power dated 04 March 2019

In addition to the above, we have also obtained further explanations and information considered reasonably necessary for our exercise, from the Management of ABB India ("Management").

It may be mentioned that the Management of the Companies have been provided opportunity to review factual information in our draft Report as part of our standard practice to make sure that factual inaccuracies/ omissions/ etc. are avoided in our final Report.



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STATEMENT OF LIMITING CONDITIONS

- Provision of share entitlement ratio recommendation and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- The recommendation contained herein is not intended to represent the share entitlement ratio at any time other than Record Date as referred to in Scheme.
- This report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report and (iii) are based on the balance sheet as at 31 December 2018 of ABB India. The Management has represented that the business activity of PG division of ABB India Limited ("ABB India") has been carried out in the normal and ordinary course between 31 December 2018 and the report date and that no material adverse change has occurred in their respective operations and financial position between 31 December 2018 and the report date.
- The recommendation(s) rendered in this Report only represent our views(s) based upon information furnished by the Companies (or their representatives) and publicly available information and the said recommendation(s) shall be considered to be in the nature of non-binding advice. In addition, we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Demerger.
- The determination of share entitlement ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single share entitlement ratio. While we have provided our recommendation of the share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the share distribution ratio of the equity shares of ABB India. The final responsibility for the determination of the share entitlement ratio at which the proposed demerger shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the proposed Demerger and input of other advisors.
- In accordance with our terms of our engagement and in accordance with the customary approach adopted in such exercises, we have not audited, reviewed or otherwise investigated the financial information provided to us. Accordingly, we do not express any opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements.
- Also, with respect to explanations and information sought from ABB India, we have been given to understand by the ABB India that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of ABB India.
- The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that they will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues

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of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited financial statements of the Companies.

- We are not advisors with respect to legal, tax and regulatory matters for the Demerger.
- This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This Report is restricted to recommendation of share entitlement ratio only. Its suitability and applicability of any other use has not been checked by us.
- No investigation of ABB India's claim to title of assets has been made for the purpose of this report and the ABB India's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- We owe responsibility to the Transferor Company only which has appointed us under the terms of our agreement and nobody else. We do not accept any liability to any third party in relation to the issuance of this Report. The fee for the Engagement is not contingent upon the results reported.
- This Report is subject to the Laws of India.
- Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than for submission to NCLT, other regulatory authorities and for inspection by shareholders in connection with the Proposed Demerger including the proposed Scheme, without our prior written consent.

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EQUITY SHARE CAPITAL OF THE COMPANIES

ABB India Limited

The issued and subscribed equity share capital of ABB India as at 5 March 2019 is INR 423.8 mn consisting of 211.9 mn equity shares of face value of INR 2 each fully paid up. The shareholding pattern is as follows:

Equity shareholding pattern of ABB India as at 5 March 2019

Shareholder	Number of shares	Holding
ABB Asea Brown Boveri Limited – the holding company	158,931,281	75.0%
Public shareholders	52,977,094	25.0%
Total	**211,908,375**	**100.0%**

Source: Management

We further understand from the Management that ABB Asea Brown Boveri Limited is part of ABB group.

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by ABB India as at the date of issue of this Report, which would impact the number of equity shares of ABB India. Further, the Management has confirmed that there will be no change in the shareholding pattern of ABB India on account of allotment / issue of any shares till the demerger becomes effective.

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ABB Power Products and Systems India Limited

ABB Power was incorporated on 19 February 2019 as a wholly owned subsidiary of the ABB India. The authorised share capital of this company is INR 0.5 mn consisting of 250,000 Equity Shares of INR 2 per share. The issued, subscribed and paid-up share capital of ABB Power as at 5 March 2019 comprised of equity share capital of INR 0.1 mn consisting of 0.05 mn equity shares of INR 2 each fully paid up. The shareholding pattern is as follows:

Equity shareholding pattern of ABB Power as at 5 March 2019

Shareholder	Number of Shares	Percentage Holding
ABB India Limited	49,994	99.99%
Nominees of ABB India Limited	6	0.01%
Total	**50,000**	**100.00%**

Source: Management

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by ABB Power as of the date of issue of this Report, which would impact the number of equity shares of ABB Power. Further, the Management has confirmed that there would be no change in the shareholding pattern of ABB Power on account of allotment/ issue/ transfer of any share/ stock options/ warrants/ security/ convertible instruments till the demerger becomes effective.

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FAIR BASIS OF DEMERGER

We understand that, as part of the Scheme, PG division of ABB India is proposed to be demerged into ABB Power. It can be seen that ABB Power is not engaged in any operations and ABB India holds 100% shares of ABB Power. The Scheme provides for suitable increase of authorized share capital to issue shares to shareholders of ABB India. Once the Scheme is implemented, all the shareholders of ABB India would also become the shareholders of ABB Power, and their shareholding in ABB Power would mirror their shareholding in ABB India. The effect of the demerger is that each shareholder of ABB India becomes the owner of shares in two companies instead of one company either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme.

Based on the above provision in the Scheme, the percentage holding of a shareholder in ABB (post the demerger) and in ABB Power would remain unchanged from the proportion of capital held by such shareholder in ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme).

Given the above context, any entitlement ratio can be considered fair for the above demerger including the entitlement ratio proposed below.

Basis of Demerger

In arriving at the share entitlement ratio, we have considered the internationally accepted approaches to valuation. Of the three internationally accepted approaches to valuation, namely Income approach, Market approach and Asset approach, the Asset approach (Net Asset Value method) is the most appropriate for arriving at share entitlement ratio in demerger, being primarily used for determining the capital structure of the resulting and demerged entities. Hence, the NAV method has been considered here.

The ratio as arrived by NAV method has been suitably modified to avoid/reduce fractional holding as much as possible.

Net Asset Value Ratio

Particulars	PG division	Non-PG division	ABB India
NAV (Based on Balance Sheet as at 31 December 2018) (₹ mn)	6,794.9	33,278.2	40,073.1
% of ABB India	17.0%	83.0%	100.0%
Number of shares (mn)			211.9

Note: Management has informed us that there were no material changes in the balance sheet position between 31 December 2018 and 5 March 2019.

Considering that, under the demerger, shareholders will be issued shares for, and not in exchange of their shareholding in ABB India, an entitlement ratio based on NAV would be 1:4.9. However, as this would lead to significant fractional holdings, we have rounded up to 1:5.



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CONCLUSION

In the light of the above and on a consideration of all the relevant factors and circumstances, we recommend a ratio of **1 (One)** equity shares of INR 2 each fully paid up of ABB Power for, not in exchange of but in addition to, every **5 (Five)** equity shares of ABB India of INR 2 fully paid up.

It should be noted that we have examined the share entitlement ratio for the Proposed Demerger and not examined any other matter including economic rationale for the demerger per se or accounting, legal or tax matters involved in the Proposed Demerger.

Yours faithfully,
S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/ E300003

Ravi Bansal
Partner
Membership No: 049365
Place: Dubai
Date: 5 March 2019

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Annexure A: Valuation of PG division as on 31 December 2018 as per NAV method

Net Asset Value of PG division as on 31 December 2018

Currency: INR mn	Dec 18	Dec 18
Net block of fixed assets		4,039.0
Goodwill		318.0
Current assets		
Inventories	4,193.6	
Sundry debtors	13,999.5	
Cash and bank balances	-	
Loans and advances	131.6	
Other current assets	5,405.1	
	23,729.9	
Current liabilities & provisions		
Trade payables	11,805.8	
Current liabilities	7,861.3	
Provisions	1,560.3	
	21,227.4	
Net current assets (NCA)		2,502.5
Borrowings		64.6
Net equity value		**6,794.9**

Source: Management
Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



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Annexure B: Valuation of Non-PG division of ABB India as on 31 December 2018 as per NAV method

Net Asset Value of Non-PG division as on 31 December 2018

Currency: INR mn	Dec 18	Dec 18
Net block of fixed assets		9,615.8
Goodwill		146.2
Investments		1.6
Current assets		
Inventories	9,278.4	
Sundry debtors	16,868.8	
Cash and bank balances	14,750.7	
Loans and advances	262.6	
Other current assets	10,672.7	
	51,833.2	
Current liabilities & provisions		
Trade payables	18,744.9	
Current liabilities	8,019.2	
Provisions	2,683.9	
	29,448.0	
Net current assets (NCA)		22,385.2
Deferred tax asset		1,149.6
Borrowings		20.3
Net equity value		**33,278.2**

Source: Management

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



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Annexure C: Valuation of ABB India as on 31 December 2018 as per NAV method

Net Asset Value of ABB India as on 31 December 2018

Currency: INR mn	Dec 18	Dec 18
Net block of fixed assets		13,654.8
Goodwill		464.2
Investments		1.6
Current assets		
Inventories	13,472.0	
Sundry debtors	30,868.4	
Cash and bank balances	14,750.7	
Loans and advances	394.2	
Other current assets	16,077.8	
	75,563.1	
Current liabilities & provisions		
Trade payables	30,550.7	
Current liabilities	15,880.4	
Provisions	4,244.2	
	50,675.4	
Net current assets (NCA)		24,887.7
Deferred tax asset		1,149.6
Borrowings		84.9
Net equity value		**40,073.1**

Source: Management
Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.

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Annexure II B

B. B. & Associates
Chartered Accountants

4445/9, Jai Mata Market
Tri Nagar
New Delhi- 110035
Tel: +91-11-27 393 393

5 MARCH 2019

March 4, 2019

The Board of Directors
ABB India Limited
World Trade Centre, 21st Floor Brigade Gateway,
No. 26/1, Dr. Rajkumar Road,
Malleshwaram West, Bengaluru – 560055.

Re: Recommendation on share entitlement of the shareholders' of ABB India Limited pursuant to the Scheme of Arrangement (hereinafter referred as 'Demerger Scheme') of its Power Grids ('PG') division into ABB Power Products and Systems India Limited

Dear Sir/Madam,

We refer to the engagement letter ("EL") dated February 25, 2019 whereby the management of ABB India Limited ("ABB India" or the "Demerged Company" or the "Client") has appointed B. B. & Associates (hereinafter referred to as "BBA", "we" or "us") to recommend the share entitlement ratio for the proposed transaction involving demerger of PG division (as described in the report in para 3) of ABB India to ABB Power Products and Systems India Limited ("ABB Power" or the "Resulting Company").

BBA has been hereafter referred to as 'Valuer' or 'we' in the Share Entitlement Ratio Report ('Report').

1. Purpose of this report:

ABB India has proposed to demerge its PG division into ABB Power. It has been proposed that ABB Power shall issue equity shares to the equity shareholders of ABB India in consideration of receipt of PG division from ABB India.

The purpose of this report is to recommend the share entitlement for the shareholders' of ABB India, pursuant to the proposed demerger of its PG division into ABB Power.

This Report is subject to the caveats, limitations and disclaimers detailed hereinafter.

B.B. & Associates M. No. 511341 Chartered Accountants

2. Background of the Companies

ABB India Limited

ABB India was incorporated as a limited liability company on December 24, 1949 with the Registrar of Companies, Bangalore, Karnataka. The Corporate Identification Number of the ABB India is L32202KA1949PLC032923. Its registered office is situated at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bangalore, Karnataka - 560055. The present directors of the companies are as under:

Name	DIN/PAN	Designation
Renu Sud Karnad	00008064	Director
Darius Erach Udwadia	00009755	Director
Nasser Mukhtar Munjee	00010180	Director
Tarak Bhadresh Mehta	06995639	Director
Sanjeev Sharma	07362344	Managing Director
Jean Christophe Georges Deslarzes	08064621	Director

ABB India is engaged in the business of providing power systems and automation technology products to utilities, industries, channel partners and Original Equipment Manufacturers ('OEMs') worldwide. The business of ABB India can be classified as under:

a. **Power Grids Business**: ABB India is engaged in the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of power Grids automation, power Grids integration, high voltage products and transformers etc. This business is herein referred as Power Grids Division ('PG Division'); and

b. **Other Businesses:** ABB India is also engaged in the business of (i) manufacturing of motors, generators, drives and robotics ('Robotics and Motion Business'); (ii) designing and manufacturing of electrification products such as EV infrastructure products, solar inverters, modular substations, distribution automation products, power protection products, wiring accessories, switchgears, enclosures, cables, and sensing and control products ('Electrification Products Business'); (iii) providing control systems, measurement products, life cycle services, turnkey engineering services, outsourced maintenance services, and industry specific products for the optimization of the productivity of industrial processes in oil and gas, power, chemicals and pharmaceuticals, pulp and paper, metals and minerals, marine, and turbocharging industries ('Industrial Automation'). These businesses are collectively referred as 'Non-PG division'.



For the calendar year ended 31 December 2018, ABB India has reported revenues of Rs 108,619 million (mn).

The equity shares of ABB India are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The capital structure of ABB India is as under:

Particulars	No. of shares	Amount (in Rs)
Issued, subscribed and paid up share capital		
- Equity Shares of face value Rs 2 each	211,908,375	423,816,750
Total ➔		**423,816,750**

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by ABB India as at the date of issue of this Report, which would impact the number of equity shares of ABB India. Further, the Management has confirmed that there will be no change in the shareholding pattern of ABB India on account of allotment/ issue of any shares till the demerger becomes effective.

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B. B. & Associates

Chartered Accountants

ABB Power Products and Systems India Limited

ABB Power was incorporated on February 19, 2019 with the Registrar of Companies, Bangalore, Karnataka. The Corporate Identification Number of ABB Power is U31904KA2019PLC121597. The registered office of ABB Power is situated at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bangalore, Karnataka - 560055. The present directors of ABB Power are as under:

Name	DIN/PAN	Designation
Mr. Gururaj Bhujangarao	00134583	Director
Sridhar Krishnaswamy Tyagavalli	06960804	Director
Sanjeev Sharma	07362344	Director

ABB Power is incorporated to acquire PG division of ABB India in the proposed Demerger.

The capital structure of ABB Power is as under:

Particulars	No. of shares	Amount (in Rs)
Issued, subscribed and paid up share capital		
- Equity Shares of face value Rs 2 each	50,000	100,000
Total →		**100,000**

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3. Proposed Transaction

We understand that the management of the ABB India and ABB Power agrees to demerge PG division of ABB India into ABB Power ("Proposed Demerger") with effect from April 1, 2019 or such other date as the NCLT may direct ("Appointed Date"). This is sought to be achieved by a Composite Scheme of Arrangement (hereinafter referred to as the "Demerger Scheme") under Sections 230-232 and other applicable provisions of the Companies Act, 2013. Under the Scheme, the shareholders of ABB India would be issued equity shares of ABB Power as a consideration for the Proposed Demerger.

As informed to us, ABB India will file the Demerger Scheme before the honourable Bengaluru Bench of the National Company Law Tribunal ('NCLT') as per the requirement of the Company Act, 2013, for the approval of the Scheme.

4. Source of Information

In connection with this exercise, we have used the following information received from the management, and/or gathered from public domain:

1. Shareholding pattern of ABB India as at March 4, 2019;
2. Information on business of ABB India provided by the management;
3. Audited financial statement (Profit and loss account and Balance sheet statement along with notes to account) for the years ended December 2016 and December 2017;
4. Audited financial statement (Profit and loss account and Balance sheet statement) for the year ended December 2018;
5. Historical carved-out financial information (Profit and loss account and Balance sheet statement excluding notes to account) of PG division for the years ended December 2016, December 2017 and December 2018;
6. Draft scheme of Arrangement for the Demerger of PG division into ABB Power;
7. Shareholding pattern of ABB Power as at March 4, 2019;
8. In addition to the above, we have also obtained such other explanations and information which were considered relevant for the purpose of our analysis.

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5. Caveats, Limitations and Disclaimers

This report, its contents and the results herein (i) are specific to the purpose of recommendation(s) as per the terms of engagement; (ii) are specific to the recommendation date; and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the information furnished by the ABB India (or their representatives) and publicly available information. The said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not to be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of Share Entitlement Ratio is not a science. The conclusion arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the proposed transaction shall take place will be with the Board of Directors of ABB India and ABB Power who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.

We assume that ABB India and ABB Power fully comply with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that these companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has not given consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited financial statements of the Companies.

This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

This Report is restricted to recommendation of fair share entitlement ratio only. Its suitability and applicability of any other use has not been checked by us.

We owe responsibility to only the Board of Directors of ABB India and ABB Power under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way

from fraudulent acts, misrepresentatives or wilful default on part of the companies, their directors, employees or agents. We do not accept any liability to any third party in relation to the issuance of this Report.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than for submission to NCLT, other regulatory authorities and for inspection by shareholders in connection with the Proposed Demerger including the proposed Scheme, without our prior written consent.

Provision of share entitlement ratio recommendation and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent the share entitlement ratio at any time other than March 4, 2019.



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6. Procedures Adopted in Recommending Share Entitlement Ratio

In connection with this exercise, we have adopted the following procedure in recommendation of share entitlement ratio:

- Discussion with ABB India to:
  - Understand the business and fundamental factors that affect its income-generating capability including strengths, weakness, opportunity and threat analysis and historical financial performance of the Power Grids Division
  -

- Undertook Industry Analysis:
  - Research publicly available market data that may impact the share entitlement ratio; and
  - Other publicly available information.

- Analysis of information.

7. Recommendation of Share Entitlement Ratio

From the discussions with the management and from proposed Demerger Scheme to be filed with the authorities, we have observed as under:

a) ABB Power is the wholly owned subsidiary of ABB India;
b) upon the draft scheme becoming effective, shareholders of ABB India would be entitled to shares in ABB Power in the same proportion in which they own shares in ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme);
c) upon the draft scheme becoming effective, the beneficial economic interest of the shareholders of ABB India in the paid-up equity share capital of ABB Power would be the same as it is in the paid-up equity share capital of ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme);
d) The equity shares held by ABB India and its nominees in ABB Power will be cancelled upon the draft scheme becoming effective.
e) The determination of share entitlement ratio would not impact the ultimate value for the shareholders of ABB India and the proposed demerger of the PG division of ABB India into ABB Power will be value neutral to ABB India's shareholders (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme).

Therefore, the determination of share entitlement ratio in the instant case is at best an internal arrangement between ABB India, its shareholders and ABB Power and a detailed valuation of the companies to determine the share entitlement ratio would not be relevant in the present case.

In such a situation, we may use the ratios of Net Asset Value ("NAV") of PG division and Non-PG division for computing share entitlement ratio. Further, the ratio may be adjusted to avoid/minimise any fractional holding. We have computed the net assets value ratio as under:

Net Asset Value Ratio

Particulars	PG division	Non-PG division	ABB India
NAV (based on Balance Sheet as at 31 December 2018) (Rs in million)	6,794.9	33,278.2	40,073.1
% NAV	17.0%	83.0%	100.0%
Number of shares (mn)	211.9		

Note: The management of ABB India has represented us that there were no material changes in the balance sheet position between 31 December 2018 and 4 March 2019.

Based on the aforesaid discussion, considering that all shareholders of ABB India are and will, upon demerger, become shareholders of ABB Power, holding beneficial economic interest in the same proportion as they hold in ABB India except in the case of shareholders who would have fractional entitlement, ABB Power may consider issuing one equity share of ABB Power against 4.90 shares held in ABB India. However, to avoid fractional holdings, we recommend that 1 (one) fully paid up equity share of face value of Rs 2/- each of ABB Power should be issued for each every 5 (five) fully paid up equity shares of face value of Rs 2/- each held in ABB India. It is re-emphasized that economic interest of the shareholders is not impacted even when share of ABB Power is issued in the ratio of 5:1, instead of 4.9:1.

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8. Justification of Recommended Share Entitlement Ratio

The recommended share entitlement ratio will not impact the proportionate interest owned by shareholders of ABB India in the net book value of the assets of ABB India and ABB Power.

Pre-demerger

The net book value of the assets owned by a shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) can be computed as under:

Particulars	ABB India (pre-demerger)
Net Asset Value (as on 31 December 2018) (in Rs millions) (refer annexure 1)	40,073.08
Number of shares (in millions)	211.91
Net Asset Value per share (in Rs)	189.11

Therefore, the shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) owns interest in the net assets value of Rs 189.11.

Post-demerger

The net book value of the assets owned by a shareholder holding one equity share of Rs 2 of ABB India (post demerger) and that owned by a shareholder holding 1 equity share of Rs 2 of ABB Power can be computed as under:

Particulars	Non-PG (post demerger)	ABB Power (post demerger)
Net Asset Value (as on 31 December 2018) (in Rs millions) (refer annexure 2 & 3)	33,278.15	6,794.86
Number of shares (in millions)	211.91	42.38
Net Asset Value per share (in Rs)	157.04	160.33



B. B. & Associates

Chartered Accountants

A shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) shall hold (I) one equity share of Rs 2 each of ABB India; and (ii) 0.2 share of Rs 2 each of ABB Power, in view of recommended share entitlement ratio.

Accordingly, the shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) would continue to own net assets value of Rs 189.11 computed as under:

Company	Amount
Net Asset Value of one equity share of ABB India Limited (Post demerger)	157.04
Net Asset Value of 0.2 equity share of ABB Power Products and Systems India Limited (Post demerger)	32.07
Total	**189.11**

Accordingly, it is evident that aforesaid share entitlement ratio is fair to each of the shareholders of ABB India.

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B. B. & Associates

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9. Conclusion

Based on the foregoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, pursuant to demerger of PG division of ABB India into ABB Power, we recommend the following share entitlement ratio for consideration by ABB Power to the shareholders of ABB India:

*"1 **(One)** equity share of INR 2 each fully paid up of ABB Power for, not in exchange of but in addition to, every **5 (five)** equity shares of INR 2 fully paid up held in ABB India"*

For **B.B. & Associates**
Chartered Accountants
Firm Registration No: 023670N



CA Balwan Bansal
IBBI Registration No: IBBI/RV/05/2018/10200
ICAI Membership No: 511341

Place: New Delhi
Date: March 4, 2019

B. B. & Associates

Chartered Accountants

Annexure 1: Valuation of ABB India as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	13,655
Goodwill	464
Investments	2
Deferred tax asset	1,150
Current assets	
Inventories	13,472
Sundry debtors	30,868
Cash and bank balances	14,751
Loans and advances	394
Other current assets	16,078
	75,563
Less: Current liabilities & provisions	
Trade payables	30,551
Current liabilities	15,880
Provisions	4,244
	50,675
Borrowings	85
Net equity value	**40,073**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



B. B. & Associates

Chartered Accountants

Annexure 2: Valuation of Non-PG division of ABB India as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	9,616
Goodwill	146
Investments	2
Deferred tax asset	1,150
Current assets	
Inventories	9,278
Sundry debtors	16,869
Cash and bank balances	14,751
Loans and advances	263
Other current assets	10,673
	51,833
Less: Current liabilities & provisions	
Trade payables	18,745
Current liabilities	8,019
Provisions	2,684
	29,448
Borrowings	20
Net equity value	**33,278**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



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Annexure 3: Valuation of PG division as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	4,039
Goodwill	318
Current assets	
Inventories	4,194
Sundry debtors	14,000
Cash and bank balances	-
Loans and advances	132
Other current assets	5,405
	23,730
Less: Current liabilities & provisions	
Trade payables	11,806
Current liabilities	7,861
Provisions	1,560
	21,227
Borrowings	65
Net equity value	**6,795**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



Annexure II C

B. B. & Associates
Chartered Accountants

4445/9, Jai Mata Market
Tri Nagar
New Delhi- 110035
Tel: +91-11-27 393 393

March 4, 2019

The Board of Directors
ABB Power Products and Systems India Limited
World Trade Centre, 21st Floor Brigade Gateway,
No. 26/1, Dr. Rajkumar Road,
Malleshwaram West, Bengaluru – 560055.

Re: Recommendation on share entitlement of the shareholders' of ABB India Limited pursuant to the Scheme of Arrangement (hereinafter referred as 'Demerger Scheme') of its Power Grids ('PG') division into ABB Power Products and Systems India Limited

Dear Sir/Madam,

We refer to the engagement letter ("EL") dated February 25, 2019 whereby the management of ABB India Limited ("ABB India" or the "Demerged Company" or the "Client") has appointed B. B. & Associates (hereinafter referred to as "BBA", "we" or "us") to recommend the share entitlement ratio for the proposed transaction involving demerger of PG division (as described in the report in para 3) of ABB India to ABB Power Products and Systems India Limited ("ABB Power" or the "Resulting Company").

BBA has been hereafter referred to as 'Valuer' or 'we' in the Share Entitlement Ratio Report ('Report').

1. Purpose of this report:

ABB India has proposed to demerge its PG division into ABB Power. It has been proposed that ABB Power shall issue equity shares to the equity shareholders of ABB India in consideration of receipt of PG division from ABB India.

The purpose of this report is to recommend the share entitlement for the shareholders' of ABB India, pursuant to the proposed demerger of its PG division into ABB Power.

This Report is subject to the caveats, limitations and disclaimers detailed hereinafter.

B.B. & Associates * M. No. 511341 * Chartered Accountants

2. Background of the Companies

ABB India Limited

ABB India was incorporated as a limited liability company on December 24, 1949 with the Registrar of Companies, Bangalore, Karnataka. The Corporate Identification Number of the ABB India is L32202KA1949PLC032923. Its registered office is situated at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bangalore, Karnataka - 560055. The present directors of the companies are as under:

Name	DIN/PAN	Designation
Renu Sud Karnad	00008064	Director
Darius Erach Udwadia	00009755	Director
Nasser Mukhtar Munjee	00010180	Director
Tarak Bhadresh Mehta	06995639	Director
Sanjeev Sharma	07362344	Managing Director
Jean Christophe Georges Deslarzes	08064621	Director

ABB India is engaged in the business of providing power systems and automation technology products to utilities, industries, channel partners and Original Equipment Manufacturers ('OEMs') worldwide. The business of ABB India can be classified as under:

a. **Power Grids Business**: ABB India is engaged in the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of power Grids automation, power Grids integration, high voltage products and transformers etc. This business is herein referred as Power Grids Division ('PG Division'); and

b. **Other Businesses:** ABB India is also engaged in the business of (i) manufacturing of motors, generators, drives and robotics ('Robotics and Motion Business'); (ii) designing and manufacturing of electrification products such as EV infrastructure products, solar inverters, modular substations, distribution automation products, power protection products, wiring accessories, switchgears, enclosures, cables, and sensing and control products ('Electrification Products Business'); (iii) providing control systems, measurement products, life cycle services, turnkey engineering services, outsourced maintenance services, and industry specific products for the optimization of the productivity of industrial processes in oil and gas, power, chemicals and pharmaceuticals, pulp and paper, metals and minerals, marine, and turbocharging industries ('Industrial Automation'). These businesses are collectively referred as 'Non-PG division'.

B. B. & Associates M. No. 511341 Chartered Accountants

For the calendar year ended 31 December 2018, ABB India has reported revenues of Rs 108,619 million (mn).

The equity shares of ABB India are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The capital structure of ABB India is as under:

Particulars	No. of shares	Amount (in Rs)
Issued, subscribed and paid up share capital		
- Equity Shares of face value Rs 2 each	211,908,375	423,816,750
Total →		**423,816,750**

The Management has represented that there are no outstanding stock options/ warrants/ security/ convertible instruments, etc. issued or granted by ABB India as at the date of issue of this Report, which would impact the number of equity shares of ABB India. Further, the Management has confirmed that there will be no change in the shareholding pattern of ABB India on account of allotment/ issue of any shares till the demerger becomes effective.

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ABB Power Products and Systems India Limited

ABB Power was incorporated on February 19, 2019 with the Registrar of Companies, Bangalore, Karnataka. The Corporate Identification Number of ABB Power is U31904KA2019PLC121597. The registered office of ABB Power is situated at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bangalore, Karnataka - 560055. The present directors of ABB Power are as under:

Name	DIN/PAN	Designation
Mr. Gururaj Bhujangarao	00134583	Director
Sridhar Krishnaswamy Tyagavalli	06960804	Director
Sanjeev Sharma	07362344	Director

ABB Power is incorporated to acquire PG division of ABB India in the proposed Demerger.

The capital structure of ABB Power is as under:

Particulars	No. of shares	Amount (in Rs)
Issued, subscribed and paid up share capital		
- Equity Shares of face value Rs 2 each	50,000	100,000
Total ➔		**100,000**

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3. Proposed Transaction

We understand that the management of the ABB India and ABB Power agrees to demerge PG division of ABB India into ABB Power ("Proposed Demerger") with effect from April 1, 2019 or such other date as the NCLT may direct ("Appointed Date"). This is sought to be achieved by a Composite Scheme of Arrangement (hereinafter referred to as the "Demerger Scheme") under Sections 230-232 and other applicable provisions of the Companies Act, 2013. Under the Scheme, the shareholders of ABB India would be issued equity shares of ABB Power as a consideration for the Proposed Demerger.

As informed to us, ABB India will file the Demerger Scheme before the honourable Bengaluru Bench of the National Company Law Tribunal ('NCLT') as per the requirement of the Company Act, 2013, for the approval of the Scheme.

4. Source of Information

In connection with this exercise, we have used the following information received from the management, and/or gathered from public domain:

1. Shareholding pattern of ABB India as at March 4, 2019;
2. Information on business of ABB India provided by the management;
3. Audited financial statement (Profit and loss account and Balance sheet statement along with notes to account) for the years ended December 2016 and December 2017;
4. Audited financial statement (Profit and loss account and Balance sheet statement) for the year ended December 2018;
5. Historical carved-out financial information (Profit and loss account and Balance sheet statement excluding notes to account) of PG division for the years ended December 2016, December 2017 and December 2018;
6. Draft scheme of Arrangement for the Demerger of PG division into ABB Power;
7. Shareholding pattern of ABB Power as at March 4, 2019;
8. In addition to the above, we have also obtained such other explanations and information which were considered relevant for the purpose of our analysis.



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5. Caveats, Limitations and Disclaimers

This report, its contents and the results herein (i) are specific to the purpose of recommendation(s) as per the terms of engagement; (ii) are specific to the recommendation date; and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the information furnished by the ABB India (or their representatives) and publicly available information. The said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation will however not to be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of Share Entitlement Ratio is not a science. The conclusion arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the proposed transaction shall take place will be with the Board of Directors of ABB India and ABB Power who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.

We assume that ABB India and ABB Power fully comply with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that these companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has not given consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited financial statements of the Companies.

This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

This Report is restricted to recommendation of fair share entitlement ratio only. Its suitability and applicability of any other use has not been checked by us.

We owe responsibility to only the Board of Directors of ABB India and ABB Power under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way



from fraudulent acts, misrepresentatives or wilful default on part of the companies, their directors, employees or agents. We do not accept any liability to any third party in relation to the issuance of this Report.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than for submission to NCLT, other regulatory authorities and for inspection by shareholders in connection with the Proposed Demerger including the proposed Scheme, without our prior written consent.

Provision of share entitlement ratio recommendation and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent the share entitlement ratio at any time other than March 4, 2019.



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6. Procedures Adopted in Recommending Share Entitlement Ratio

In connection with this exercise, we have adopted the following procedure in recommendation of share entitlement ratio:

- Discussion with ABB India to:
  - Understand the business and fundamental factors that affect its income-generating capability including strengths, weakness, opportunity and threat analysis and historical financial performance of the Power Grids Division
  -

- Undertook Industry Analysis:
  - Research publicly available market data that may impact the share entitlement ratio; and
  - Other publicly available information.

- Analysis of information.

7. Recommendation of Share Entitlement Ratio

From the discussions with the management and from proposed Demerger Scheme to be filed with the authorities, we have observed as under:

a) ABB Power is the wholly owned subsidiary of ABB India;
b) upon the draft scheme becoming effective, shareholders of ABB India would be entitled to shares in ABB Power in the same proportion in which they own shares in ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme);
c) upon the draft scheme becoming effective, the beneficial economic interest of the shareholders of ABB India in the paid-up equity share capital of ABB Power would be the same as it is in the paid-up equity share capital of ABB India (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme);
d) The equity shares held by ABB India and its nominees in ABB Power will be cancelled upon the draft scheme becoming effective.
e) The determination of share entitlement ratio would not impact the ultimate value for the shareholders of ABB India and the proposed demerger of the PG division of ABB India into ABB Power will be value neutral to ABB India's shareholders (either directly, or, in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme).



Therefore, the determination of share entitlement ratio in the instant case is at best an internal arrangement between ABB India, its shareholders and ABB Power and a detailed valuation of the companies to determine the share entitlement ratio would not be relevant in the present case.

In such a situation, we may use the ratios of Net Asset Value ("NAV") of PG division and Non-PG division for computing share entitlement ratio. Further, the ratio may be adjusted to avoid/minimise any fractional holding. We have computed the net assets value ratio as under:

Net Asset Value Ratio

Particulars	PG division	Non-PG division	ABB India
NAV (based on Balance Sheet as at 31 December 2018) (Rs in million)	6,794.9	33,278.2	40,073.1
% NAV	17.0%	83.0%	100.0%
Number of shares (mn)	211.9		

Note: The management of ABB India has represented us that there were no material changes in the balance sheet position between 31 December 2018 and 4 March 2019.

Based on the aforesaid discussion, considering that all shareholders of ABB India are and will, upon demerger, become shareholders of ABB Power, holding beneficial economic interest in the same proportion as they hold in ABB India except in the case of shareholders who would have fractional entitlement, ABB Power may consider issuing one equity share of ABB Power against 4.90 shares held in ABB India. However, to avoid fractional holdings, we recommend that 1 (one) fully paid up equity share of face value of Rs 2/- each of ABB Power should be issued for each every 5 (five) fully paid up equity shares of face value of Rs 2/- each held in ABB India. It is re-emphasized that economic interest of the shareholders is not impacted even when share of ABB Power is issued in the ratio of 5:1, instead of 4.9:1.

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8. Justification of Recommended Share Entitlement Ratio

The recommended share entitlement ratio will not impact the proportionate interest owned by shareholders of ABB India in the net book value of the assets of ABB India and ABB Power.

Pre-demerger

The net book value of the assets owned by a shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) can be computed as under:

Particulars	ABB India (pre-demerger)
Net Asset Value (as on 31 December 2018) (in Rs millions) (refer annexure 1)	40,073.08
Number of shares (in millions)	211.91
Net Asset Value per share (in Rs)	189.11

Therefore, the shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) owns interest in the net assets value of Rs 189.11.

Post-demerger

The net book value of the assets owned by a shareholder holding one equity share of Rs 2 of ABB India (post demerger) and that owned by a shareholder holding 1 equity share of Rs 2 of ABB Power can be computed as under:

Particulars	Non-PG (post demerger)	ABB Power (post demerger)
Net Asset Value (as on 31 December 2018) (in Rs millions) (refer annexure 2 & 3)	33,278.15	6,794.86
Number of shares (in millions)	211.91	42.38
Net Asset Value per share (in Rs)	157.04	160.33



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A shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) shall hold (I) one equity share of Rs 2 each of ABB India; and (ii) 0.2 share of Rs 2 each of ABB Power, in view of recommended share entitlement ratio.

Accordingly, the shareholder holding one equity share of Rs 2 of ABB India (prior to demerger) would continue to own net assets value of Rs 189.11 computed as under:

Company	Amount
Net Asset Value of one equity share of ABB India Limited (Post demerger)	157.04
Net Asset Value of 0.2 equity share of ABB Power Products and Systems India Limited (Post demerger)	32.07
Total	**189.11**

Accordingly, it is evident that aforesaid share entitlement ratio is fair to each of the shareholders of ABB India.

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9. Conclusion

Based on the foregoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, pursuant to demerger of PG division of ABB India into ABB Power, we recommend the following share entitlement ratio for consideration by ABB Power to the shareholders of ABB India:

*"1 **(One)** equity share of INR 2 each fully paid up of ABB Power for, not in exchange of but in addition to, every **5 (five)** equity shares of INR 2 fully paid up held in ABB India"*

For **B.B. & Associates**
Chartered Accountants
Firm Registration No: 023670N



CA Balwan Bansal
IBBI Registration No: IBBI/RV/05/2018/10200
ICAI Membership No: 511341

Place: New Delhi
Date: March 4, 2019

B. B. & Associates

Chartered Accountants

Annexure 1: Valuation of ABB India as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	13,655
Goodwill	464
Investments	2
Deferred tax asset	1,150
Current assets	
Inventories	13,472
Sundry debtors	30,868
Cash and bank balances	14,751
Loans and advances	394
Other current assets	16,078
	75,563
Less: Current liabilities & provisions	
Trade payables	30,551
Current liabilities	15,880
Provisions	4,244
	50,675
Borrowings	85
Net equity value	**40,073**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



B. B. & Associates

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Annexure 2: Valuation of Non-PG division of ABB India as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	9,616
Goodwill	146
Investments	2
Deferred tax asset	1,150
Current assets	
Inventories	9,278
Sundry debtors	16,869
Cash and bank balances	14,751
Loans and advances	263
Other current assets	10,673
	51,833
Less: Current liabilities & provisions	
Trade payables	18,745
Current liabilities	8,019
Provisions	2,684
	29,448
Borrowings	20
Net equity value	**33,278**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



B. B. & Associates

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Annexure 3: Valuation of PG division as on 31 December 2018 as per NAV method

(INR in million)

Particulars	Dec-18
Non Current Assets	
Net block of fixed assets	4,039
Goodwill	318
Current assets	
Inventories	4,194
Sundry debtors	14,000
Cash and bank balances	-
Loans and advances	132
Other current assets	5,405
	23,730
Less: Current liabilities & provisions	
Trade payables	11,806
Current liabilities	7,861
Provisions	1,560
	21,227
Borrowings	65
Net equity value	**6,795**

Note: Net Asset Value has been computed based on the published segmental financials which are part of the Financial Statement as at 31 December 2018 of ABB India Limited.



Annexure III

ICICI Securities

5 March 2019.

March 05, 2019

To,

The Board of Directors
ABB India Limited,
21st Floor, World Trade Center,
Brigade Gateway, No.26/1,
Dr. Rajkumar Road, Malleshwaram West,
Bengaluru - 560 055, India.

Background, Purpose and Use of this Report

We understand that the Board of Directors of ABB India Limited is considering the demerger of the "Power Grids Business" of ABB India Limited ("Transferor Company" or "ABB") into its wholly owned subsidiary, ABB Power Products and Systems India Limited ("Transferee Company") through Scheme of Arrangement ("Scheme") pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

The Scheme envisages demerger of the "Power Grids Business" of ABB ("Demerged Undertaking") into the Transferee Company as per terms and conditions more fully set forth in the Scheme to be placed before the Board for their approval.

In this connection, we have been requested by the Board of Directors of the Transferor Company to render our professional services by way of a Fairness Opinion as of date hereof, as to the fairness of the Share Entitlement Ratio provided by S R B C & CO LLP and B.B. & Associates to the Equity Shareholders of the Transferor Company.

We understand, that consequent to demerger, there will be no impact on the economic beneficial interest of the shareholders of the Transferor Company.

Rationale of the Scheme

In the Rationale of the Scheme, it has been provided that, ABB is now taking fundamental actions to realign the business to focus, simplify and lead in digital businesses for enhanced customer value and shareholder returns. This involves segregation of the traditional, long gestation projects led "Power Grid Business" into the Transferee Company. The simplification of ABB's business model and structure is expected to provide each business with full operational ownership of products, functions, research and development and territories. These actions are with the intent to position ABB with a leadership role in digital solutions and evolving technologies like artificial intelligence in India, while allowing

ICICI SECURITIES LIMITED

Member of National Stock Exchange of India Ltd & Bombay Stock Exchange Ltd
Capital Market : NSE Regn No INB 230773037, BSE Regn No INB 011286854
Futures & Options : NSE Regn No INF 230773037, BSE Regn No INF 011C73035
Currency Derivatives : NSE Regn No INE 230773037
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited
Registered Office (Institutional):
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel (91 22) 2288 2460/70
Fax (91 22) 2282 6580

Corporate Office (Retail):
Shree Sawan Knowledge Park, Plot No. D-507,
T.T.C. Ind. Area, M.I.D.C,Turbhe, Navi Mumbai - 400 705
Tel (91 22) 4070 1000
Fax (91 22) 4070 1022

Name of Compliance Officer (Broking Operations) : Ms. Mamta Jayaram Shetty
Email Address: complianceofficer@icicisecurities.com / Tel (91 22) 4070 1000
Website Address: www.icicisecurities.com / www.icicidirect.com

ICICI Securities

independent focus on the leadership position of "Power Grid Business" with its unique and established market dynamics.

Proposed Share Entitlement Ratio

- Equity shareholders of Transferor Company will receive 1 (One) equity share of face value and paid-up value of Rs. 2 (Two) each of the Transferee Company credited as fully paid up be allotted for every 5 (Five) equity shares of the Transferor Company, pursuant to the Demerger.
- The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company will be listed and/ or admitted to trading on the Stock Exchanges on which shares of ABB are listed.

Limitation of Scope & Review

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our opinion and analysis is limited to the extent of review of documents as provided to us by the Transferee Company and Transferor Company, including the Share Entitlement Ratio prepared by S R B C & CO LLP, B.B. & Associates and a draft of the Scheme. In addition to the documents shared, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis. We have been represented that Transferee Company was incorporated specifically for acquiring the Power Grids Business on a going concern basis. Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Transferee Company and /or Transferor Company. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share Entitlement Ratio for the Scheme, it may not be valid for any other purpose or if provided on behalf of any other entity. In particular, we do not express any opinion as to the value of any asset of the Transferee Company and Transferor Company, whether at the current prices or in the future.

Our analysis and results are also specific to the date of this report and based on information till date hereof. This report is issued on the understanding that the Transferee Company and/or Transferor Company have drawn our attention to all the matters, which they are aware of concerning the financial position of the Transferee Company and /or Transferor Company, their businesses, and any other matter, which may have an impact on our opinion, on the Share Entitlement Ratio for the Proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the Transferee Company and/or Transferor Company or subsequently. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Member of National Stock Exchange of India Ltd & Bombay Stock Exchange Ltd
Capital Market : NSE Regn No INB 230773037, BSE Regn No INB 011296654
Futures & Options : NSE Regn No INF 230773037, BSE Regn No INF 010773035
Currency Derivatives : NSE Regn No INF 230773037
CIN No.: L67120MH1995PLC086624

ICICI Securities Limited
Registered Office (Institutional):
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel (91 22) 2288 2460/70
Fax (91 22) 2282 6580

Corporate Office (Retail):
Shree Sawan Knowledge Park, Plot No. D-507,
T.T.C. Ind. Area, M.I.D.C.,Turbhe, Navi Mumbai - 400 705
Tel (91 22) 4070 1000
Fax (91 22) 4070 1022

Name of Compliance Officer (Broking Operations) : Ms. Mamta Jayaram Shetty
Email Address: complianceofficer@icicisecurities.com / Tel (91 22) 4070 1000
Website Address: www.icicisecurities.com / www.icicidirect.com

ICICI Securities

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Transferee Company and /or Transferor Company without detailed inquiry. We have also been given to understand by the management of the respective Transferee Company and /or Transferor Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Transferee Company and /or Transferor Company and their impact on the present exercise.

We express no opinion whatever and make no recommendation at all to the Transferee Company and /or Transferor Company underlying its decision to the effect the Scheme or as to how the shareholders of equity shares or secured or unsecured creditors of the Transferee Company and /or Transferor Company should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme.

We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of Transferee Company and /or Transferor Company will trade at any time, including subsequent to the date of this opinion.

Our report is not and should not be construed as our opining or certifying the compliance of the Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Scheme.

This report is intended only for the sole use and benefit of the Board of Directors of the Transferor Company in connection with its consideration of the Scheme for the purpose of obtaining judicial and regulatory approvals and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person / party intending to provide finance/invest in the shares/business of any of the Transferee Company and /or Transferor Company or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant stock exchanges, advisors of the Transferor Company and/or Transferee Company in relation to the Scheme, as well as with the statutory authorities.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or

ICICI Securities

otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

Our Recommendation

The effect of the Scheme is that each shareholder of the Transferor Company becomes the beneficial economic owner of the shares in the Transferee Company, in the same proportion, either directly, and/or in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme.

Based on the above, all the current shareholders of the Transferor Company are and will, upon demerger, be the ultimate beneficial economic owners of the Transferee Company upon allotment of equity shares by the Transferee Company in the proposed Share Entitlement Ratio.

As stated in the Share Entitlement Report by S R B C & CO LLP and B.B. & Associates, they have recommended the following:

"1 (One) equity share of face value and paid-up value of Rs. 2 (Two) each of the Transferee Company credited as fully paid up be allotted for every 5 (Five) equity shares of the Transferor Company"

The aforesaid Demerger shall be pursuant to the Scheme and shall be subject to receipt of approval from National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. We have issued the Fairness Opinion with the understanding that the Scheme provided to us shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

As per the Scheme, having regard to all relevant factors and on the basis of information and explanations given to us, including the Share Entitlement Ratio Report, we are of the opinion on the date hereof, that the proposed Share Entitlement Ratio as recommended by S R B C & CO LLP and B.B. & Associates is fair to the equity shareholders of Transferor Company.

Yours faithfully,
For ICICI Securities Limited,

Deepak Nawal
Vice President

Member of National Stock Exchange of India Ltd & Bombay Stock Exchange Ltd
Capital Market : NSE Regn No INB 230773037, BSE Regn No INB 011286854
Futures & Options : NSE Regn No INF 230773037, BSE Regn No INF 010773035
Currency Derivatives : NSE Regn No INE 230773037
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited
Registered Office (Institutional):
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel (91 22) 2288 2460/70
Fax (91 22) 2282 6580

Corporate Office (Retail):
Shree Sawan Knowledge Park, Plot No. D-507,
T.T.C. Ind. Area, M.I.D.C,Turbhe, Navi Mumbai - 400 705.
Tel (91 22) 4070 1000
Fax (91 22) 4070 1022

Name of Compliance Officer (Broking Operations) : Ms. Mamta Jayaram Shetty
Email Address: complianceofficer@icicisecurities.com / Tel: (91 22) 4070 1000
Website Address: www.icicisecurities.com ; www.icicidirect.com

Annexure IV

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Revised Letter

DCS/AMAL/SV/R37/1482/2019-20 **May 28, 2019**

The Company Secretary,
ABB India Ltd.
21st Floor, World Trade Center, Brigade Gateway,
No. 26 / 1, Dr. Rajkumar Road,
Malleshwaram West, Bengaluru,
Karnataka, 560055

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

We are in receipt of Draft Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its revised letter dated May 28, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."**

- **"Company shall duly comply with various provisions of the Circulars."**

- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**

- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of ABB Power Products and Systems India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, ABB Power Products and Systems India Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

EXPERIENCE THE NEW

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of ABB Power Products and Systems India Limited is at the discretion of the Exchange. In addition to the above, the listing of ABB Power Products and Systems India Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about ABB Power Products and Systems India Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all the information of ABB Power Products and Systems India Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about ABB Power Products and Systems India Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

   i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   ii. "There shall be no change in the shareholding pattern of ABB Power Products and Systems India Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Lette**r, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Kindly note that Exchange's letter no. DCS/AMAL/SV/R37/1476/2019-20 dated May 13, 2019 stands withdrawn.

Yours faithfully,

Nitinkumar Pujari
Senior Manager

S&P BSE SENSEX

Annexure V

National Stock Exchange Of India Limited

Ref: NSE/LIST/20314_I

May 28, 2019

The Company Secretary
ABB India Limited
21st Floor, World Trade Center,
Brigade Gateway,
No. 26/1, Dr. Rajkumar Road,
Malleshwaram West
Bangalore- 560055

Kind Attn.: Mr. B Gururaj

Dear Sir,

Sub: **Observation Letter for Scheme of Arrangement of ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors**

We are in receipt of Scheme of Arrangement of ABB India Limited (Transferor Company) and ABB Power Products and Systems India Limited (Transferee Company) and their respective shareholders and creditors vide application dated March 12, 2019.

Based on our letter reference no Ref: NSE/LIST/20314 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated May 28, 2019, has given following comments:

a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circular.*

c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

This Document is Digitally Signed

Signer: Rajendra P Bhosale
Date: Tue, May 28, 2019 18:29:06 IST
Location: NSE

Continuation Sheet

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from May 28, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Limited**

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer: Rajendra P Bhosale
Date: Tue, May 28, 2019 18:29:06 IST
Location: NSE

Annexure VI

REF:INABB:STATUT:LODR:REGU 37: April 16, 2019

BSE Limited
P.J. Towers
Dalal Street
Mumbai 400 001

Attn: Listing Dept.

Dear Sir

Sub: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

Ref: BSE - 500002 / NSE - ABB

With reference to our application under Regulation 37 of the Listing Regulations, we are hereby submitting the Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Request you to take it on record and issue your "No Objection" for the proposed Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

Thanking you

Yours faithfully

For ABB India Limited

B Gururaj
General Counsel &
Company Secretary
FCS-2631

Encl: a/a

ABB India Limited
Registered Office and Corporate Office
21st Floor, World Trade Center
Brigade Gateway, No. 26/1
Dr. Rajkumar Road, Malleshwaram West
Bengaluru – 560 055

CIN: L32202KA1949PLC032923

Phone: +91 80 2294 9150 - 54
Fax : +91 80 2294 9148

www.abb.com/in

ANNEXURE VII

Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017

Part A

Sl. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sl. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NA	NA	NA

For ABB India Limited

B Gururaj
General Counsel &
Company Secretary
FCS-2631

Date: April 16, 2019
Place: Bengaluru

REF:INABB:STATUT:LODR:REGU 37: April 23, 2019

National Stock Exchange of India Limited
Manager-Listing
Exchange Plaza,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Tel. No. 022-2659 8237/38
takeover@nse.co.in

Dear Sir/Madam,

Attn: Listing Dept.

Dear Sir

Sub: Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

Ref: (i) BSE - 500002 / NSE – ABB
(ii) Company's Application Number 20314 for Scheme of Arrangement

With reference to our application under Regulation 37 of the Listing Regulations, we are hereby submitting the Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Request you to take it on record and issue your "No Objection" for the proposed Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited.

Thanking you

Yours faithfully

For ABB India Limited

B Gururaj
General Counsel &
Company Secretary
FCS-2631

Encl: a/a

ANNEXURE J

Complaint report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017

Period of Complaints Report:

April 1, 2019 – April 22, 2019

Part A

Sl. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sl. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not applicable	Not applicable	Not applicable

For ABB India Limited

B Gururaj
General Counsel &
Company Secretary
FCS-2631

Date: April 23, 2019
Place: Bengaluru

Annexure VII

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ABB INDIA LIMITED (THE "COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON MARCH 5, 2019 AT 11.00 AM AT OFFICE OF ABB UNITED ARAB EMIRATES, 10TH FLOOR, CONCORD TOWER, DUBAI MEDIA CITY DUBAI - UNITED ARAB EMIRATES

1. A draft of the proposed scheme of arrangement amongst the Company and ABB Power Products and Systems India Limited ("**Transferee Company**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was placed before the Board of Directors of the Company ("**Board**" and such scheme, the "**Scheme**"). Words and expressions, used in capitalized form but not defined in this report, shall have the meaning ascribed to them in the Scheme.

2. As per Section 232(2)(c) of the Act, a report is required to be adopted by the directors explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, laying out in particular, the share entitlement ratio, specifying any special valuation difficulties, if any ("**Report**").

3. Having regard to the applicability of the aforesaid provisions, a draft of the Scheme and the following documents are placed before the Board:

   (i) **Share entitlement ratio reports:**
   a. Issued by S R B C & Co. LLP (firm registration no 324982E/E300003), Mumbai, independent chartered accountant, describing, *inter alia*, the methodology adopted by them in arriving at the share entitlement ratio and setting out the detailed computation of share entitlement ratio for the proposed Demerger ("**Share Entitlement Report 1**");
   b. Issued by B.B. & Associates Firm Registration No: 023670N CA Balwan Bansal IBBI Registration No: IBBI/RV/05/2018/10200, ICAI Membership No: 511341 , independent chartered accountant, describing, *inter alia*, the methodology adopted by them in arriving at the share entitlement ratio and setting out the detailed computation of share entitlement ratio for the proposed Demerger ("**Share Entitlement Report 2**");

   (ii) **Fairness Opinion** issued by ICICI Securities Limited, category I Merchant Banker, Mumbai (SEBI Registration No INM000011179), a SEBI registered merchant banker, to the Company, providing its opinion on the fairness of the share entitlement ratio, as recommended in the Share Entitlement Reports 1 and 2;

   (iii) **Copy of Auditors' Certificate** issued by B S R & Co. LLP, firm Registration no. 101248W/ W-100022, the statutory auditors of the Company, as required under Section 232(3) of the Act certifying that the accounting treatment in the draft Scheme is in accordance with the accounting standards and applicable law;

   (iv) A copy of the **Audit Committee Report** dated March 5, 2019 prepared by the Audit Committee of the Company in terms of the requirements of the Scheme Circular.

The rationale of the Scheme is set forth in detail in the Scheme and is therefore not reiterated in this report.

Effect of Scheme on stakeholders

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
(i)	Shareholders	The Company has only equity shareholders and does not have any preference shareholders. Upon the Scheme becoming effective and in consideration of the Demerger, the Transferee Company shall allot equity shares credited as fully-paid up shares in the Transferee Company to the shareholders of the Company whose names appear in the register of members of the Company on a specified record date or to such of their respective heirs, executors, administrators or other legal representatives or successors in title as on such record date in the following manner: "1 (one) fully paid-up equity shares, of face value Rs. 2/- (Rupees Two only) each in the Transferee Company for every 5 (five) fully paid up equity share(s) of face value Rs. Rs. 2/- (Rupees Two only) each of the Company." ("**Share Entitlement Ratio**") Pursuant to the Demerger, the equity shares of the Transferee Company will be listed on the BSE Limited and the National Stock Exchange of India Limited. The entire shareholding of the Company in the Transferee Company, held by the Company itself or through its nominees, will stand cancelled. The Scheme is expected to have several benefits for the Company, as indicated in the rationale of the Scheme set out above, and is expected to be in the best interests of the shareholders of the Company.
(ii)	Promoter(s)	Like all the shareholders of the Company, the promoters of the Company will be allotted equity shares in the Transferee Company in accordance with the Share Entitlement Ratio. Please refer to point (i) above for details regarding effect on the shareholders.
(iii)	Non-Promoter Shareholders	Please refer to point (i) above for details regarding effect on the shareholders.

S. No.	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME ON STAKEHOLDERS
(iv)	Key Managerial Personnel ("**KMP**")	The KMPs of the Company shall continue as key managerial personnel of the Company after effectiveness of the Scheme.

4. **Share Entitlement Ratio**

1) For the purpose of arriving at the Share Entitlement Ratio, the Share Entitlement Ratio Report 1 and Share Entitlement Ratio Report 2 were obtained.

2) SRBC & Co. LLP (firm registration no 324982E/E300003), independent chartered accountant appointed to determine the share entitlement ratio for the said Demerger has not expressed any difficulty while determining the Share Entitlement Ratio. The chartered accountants have considered Net Asset Value methodology for determining the relative value of the businesses in order to arrive at the Share Entitlement Ratio for the Scheme which have been considered in the present case.

3) B.B. & Associates Firm Registration No: 023670N CA Balwan Bansal IBBI Registration No: IBBI/RV/05/2018/10200, ICAI Membership No: 511341, independent chartered accountant appointed to determine the share entitlement ratio for the said Demerger has not expressed any difficulty while determining the Share Entitlement Ratio. The chartered accountants have considered Net Asset Value methodology for determining the relative value of the businesses in order to arrive at the Share Entitlement Ratio for the Scheme which have been considered in the present case.

4) A fairness opinion issued by ICICI Securities Limited also does not indicate any special valuation difficulties.

5) The recommendation of the Share Entitlement Ratio has been certified as being fair and has been approved by the Board of the Company, the Audit Committee of the Company and the board of directors of the Transferee Company.

6) The Scheme provides that upon the Scheme becoming effective and in consideration of the vesting of the Demerged Undertaking in the Transferee Company in terms of the Scheme, the Transferee Company shall allot equity shares, credited as fully paid-up, to the members of the Company whose names appear in the register of members of the Company on the relevant record date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as on the record date in the following manner:

"*1 (one) fully paid-up equity shares, of face value Rs. 2/- (Rupees Two only) each in the Transferee Company for every 5 (five) fully paid up equity share(s) of face value Rs. 2/- (Rupees Two only) each of the Company, pursuant to the Demerger.*"

5. Adoption of the Report by the Directors

The directors of the Company have adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

J C DESLARZES
CHAIRMAN
DIN: 08064621

Date: March 5, 2019
Place: Dubai

Annexure VIII

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED (THE "COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON MARCH 5, 2019 COMMENCED AT 1:30 P.M. AND CONCLUDED AT 2:00 P.M. IN THE BOARD ROOM OFFICE OF ABB UNITED ARAB EMIRATES, 10TH FLOOR, CONCORD TOWER, DUBAI MEDIA CITY, DUBAI - UNITED ARAB EMIRATES

1. A draft of the proposed scheme of arrangement amongst the Company and ABB India Limited ("**Transferor Company**") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") was placed before the Board of Directors of the Company ("**Board**" and such scheme, the "**Scheme**"). Words and expressions, used in capitalized form but not defined in this report, shall have the meaning ascribed to them in the Scheme.

2. As per Section 232(2)(c) of the Act, a report is required to be adopted by the directors explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company, laying out in particular, the share entitlement ratio, specifying any special valuation difficulties, if any ("**Report**").

3. Having regard to the applicability of the aforesaid provisions, a draft of the Scheme and the following documents are placed before the Board:

   (i) **Share entitlement ratio report** issued by B.B. & Associates Firm Registration No: 023670N CA Balwan Bansal IBBI Registration No: IBBI/RV/05/2018/10200, ICAI Membership No: 511341, independent chartered accountant, describing, *inter alia*, the methodology adopted by them in arriving at the share entitlement ratio and setting out the detailed computation of share entitlement ratio for the proposed Demerger ("**Share Entitlement Ration Report**"); and

   (ii) **Draft Auditors' Certificate** issued by B S R & Co. LLP, firm Registration no. 101248W/ W-100022, the statutory auditors of the Company, as required pursuant to proviso to Section 232(3) of the Act certifying that the accounting treatment proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.

The rationale of the Scheme is set forth in detail in the Scheme and is therefore not reiterated in this report.

ABB Power Products and Systems India Limited

ABB Power Products and Systems India Limited
Registered Office
21st Floor, World Trade Center
Brigade Gateway, No 26/1
Dr Rajkumar Road, Malleshwaram West
Bengaluru – 560 055

CIN: U31904KA2019PLC121597
Phone: +91 80 2294 9150 - 54
Fax : +91 80 2294 9148

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Effect of Scheme on stakeholders

S. No.	CATEGORY OF STAKEHOLDER	EFFECT OF THE SCHEME ON STAKEHOLDERS
(i)	Shareholders	The Company has only equity shareholders and does not have any preference shareholders. The entire shareholding of the Company is held by the Transferor Company by itself or through is nominees. As an integral part of the Scheme the entire pre-scheme share capital of the Company will stand cancelled and accordingly, the Transferor Company will cease to be a shareholder of the Company. Upon the Scheme becoming effective and in consideration of the Demerger, the Company shall allot equity shares credited as fully-paid up shares in the Company to the shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company on a specified record date or to such of their respective heirs, executors, administrators or other legal representatives or successors in title as on such record date in the following manner: "*1 (one) fully paid-up equity shares, of face value Rs. 2/- (Rupees Two only) each in the Company for every 5 (five) fully paid up equity share(s) of face value Rs. 2/- (Rupees Two only) each of the Transferor Company.*" ("**Share Entitlement Ratio**"). Pursuant to the Demerger, the equity shares of the Company will be listed on the BSE Limited and the National Stock Exchange of India Limited.
(ii)	Promoter(s)	The promoter i.e. the Transferor Company will cease to be a shareholder of the Company.
(iii)	Non-Promoter Shareholders	Please refer to point (i) above for details regarding effect on the shareholders.
(iv)	Key Managerial Personnel ("**KMP**")	The Company has no KMPs as of date.

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4. **Share Entitlement Ratio**

1) For the purpose of arriving at the Share Entitlement Ratio, the Share Entitlement Ratio Report was obtained from B.B. & Associates Firm Registration No: 023670N CA Balwan Bansal IBBI Registration No: IBBI/RV/05/2018/10200, ICAI Membership No: 511341, independent chartered accountant appointed to determine the share entitlement ratio for the said Demerger. B.B. & Associates has not expressed any difficulty while determining the Share Entitlement Ratio. The chartered accountants have considered Net Asset Value methodology for determining the relative value of the businesses in order to arrive at the Share Entitlement Ratio for the Scheme which have been considered in the present case.

2) The recommendation of the Share Entitlement Ratio has been certified as being fair and has been approved by the Board, the Audit Committee of the Transferor Company and the board of directors of the Transferor Company.

3) The Scheme provides that upon the Scheme becoming effective and in consideration of the vesting of the Demerged Undertaking in the Company in terms of the Scheme, the Company shall allot equity shares, credited as fully paid-up, to the members of the Transferor Company whose names appear in the register of members of the Transferor Company on the relevant record date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as on the record date in the following manner:

"1 (one) fully paid-up equity shares, of face value Rs. 2/- (Rupees Two only) each in the Company for every 5 (five) fully paid up equity share(s) of face value Rs. 2/- (Rupees Two only) each of the Transferor Company, pursuant to the Demerger."

5. **Adoption of the Report by the Directors**

The directors of the Company have adopted this Report after noting and considering the information set forth in this Report. The Board or any fully authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

Sanjeev Sharma
DIN: 07362344
Chairman of the Meeting

Date: March 5, 2019.
Place: Dubai.

ABB Power Products and Systems India Limited

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Annexure IX

Pre and post Amalgamation / Arrangement Shareholding pattern as on June 29, 2019

			Transferor Company*		Transferee company			
			Pre-arrangement		Pre-arrangement		Post-arrangement	
Sr	**Description**	**Name of Shareholder**	**No. of shares**	**%**	**No. of shares**	**%**	**No. of shares**	**%**
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
	Individuals/ Hindu Undivided Family	-	-	-	6**	0.01	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	ABB India Limited ***	-	-	49,994	99.99	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Others	-	-	-	50,000	100.00	-	-
	Sub Total(A)(1)	-	-	-				
2	**Foreign**	-	-	-	-	-	-	-
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)							
(b)	Bodies Corporate	ABB Asea Brown Boveri Limited	15,89,31,281	75.00	-	-	3,17,86,256	75.00
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Others	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	1,58,931,281	75.00	-	-	3,17,86,256	75.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	**15,89,31,281**	**75.00**	**50,000**	**100.00**	**3,17,86,256**	**75.00**
(B)	**Public shareholding**							
1	**Institutions**							
(a)	Mutual Funds/ UTI		1,47,08,527	6.94	-	-	29,41,705	6.94
(b)	Financial Institutions / Banks		1,21,20,554	5.72	-	-	24,24,111	5.72
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance	-	-	-	-	-	-	-

	Companies							
(f)	Foreign Institutional Investors	-	73,91,605	3.49	-	-	14,78,321	3.49
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other		705	0.00	-	-	141	0.00
	Sub-Total (B)(1)		**3,42,21,391**	**16.15**	-	-	**68,44,278**	**16.15**
2	**Non-institutions**							
(a)	Bodies Corporate		28,69,382	1.35	-	-	5,73,876	1.35
(b)	Individuals		-	-	-	-		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh		1,35,33,058	6.39	-	-	27,06,612	6.39
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.		7,24,249	0.34	-	-	1,44,850	0.34
(c)	Any Other		16,29,014	0.77	-	-	3,25,803	0.77
	Sub-Total (B)(2)		**18,755,703**	**8.85**	-	-	**37,51,141**	**8.85**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**		**5,29,77,094**	**25.00**	-	-	**1,05,95,419**	**25.00**
	TOTAL (A)+(B)		**21,19,08,375**	**100.00**	-	-	**4,23,81,675**	**100.00**
(C)	Shares held by Custodians and against which DRs have been issued		-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)		**21,19,08,375**	**100.00**	-	-	**4,23,81,675**	**100.00**

* There will not be any change in shareholding pattern of ABB India Limited (pre and post arrangement) pursuant to sanction of Scheme of Arrangement by the Hon'ble National Company Law Tribunal.

** Sunil L Naik, Bhanutej K Patil, Choodamani NK, EA Karthikeyan, Jayantha Kumar Chatterjee, Harshvardhan S. Nalawade are holding one share each where Beneficial interest is with ABB India Limited.

*** Pursuant to the Scheme of Arrangement the Equity Shares held by ABB India Limited in the Transferee Company will be cancelled.

Note: The above shareholding (pre and post) is as of June 29, 2019. The actual number of shareholders may change depending on the position as on the Record Date (as defined in the Scheme of Arrangement). The same is also subject to adjustment for fractional entitlements.

Annexure X

ABB India Limited
CIN: L32202KA1949PLC032923
Registered Office: 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560 055
Phone: +91 (80) 22949150 - 22949153; Fax: +91 (80) 22949148 Website: www.abb.co.in, E-mail: investor.helpdesk@in.abb.com
Statement of unaudited results for the quarter ended 31/03/2019

Part I ₹ In Crores

	Particulars	3 months ended 31/03/2019	Preceding 3 months ended 31/12/2018	Corresponding 3 months ended 31/03/2018 in the previous year	Previous year ended 31/12/2018
		Unaudited	Audited	Unaudited	Audited
1	**Revenue from operations**				
	(a) Sales / Income from operations (inclusive of excise duty)	**1,828.30**	1,939.54	1,551.08	6,613.36
	(b) Other operating revenue	**21.95**	26.78	15.38	76.76
	Total revenue from operations	**1,850.25**	1,966.32	1,566.46	6,690.12
2	Other income (net)	**19.12**	15.98	22.81	84.01
3	**Total income (1 + 2)**	**1,869.37**	1,982.30	1,589.27	6,774.13
4	**Expenses**				
	(a) Cost of raw materials and components consumed and project bought out	**1,057.86**	1,072.12	893.51	3,755.62
	(b) Purchases of stock-in-trade	**184.04**	170.92	127.03	582.11
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(19.02)**	30.01	(1.59)	(50.38)
	(d) Subcontracting charges	**43.81**	52.29	59.15	226.30
	(e) Employee benefits expense	**157.47**	100.45	145.40	529.60
	(f) Depreciation and amortisation expense	**23.31**	23.68	22.54	92.76
	(g) Finance costs	**2.64**	5.27	19.85	53.90
	(h) Other expenses	**280.57**	325.10	253.48	1,189.16
	Total expenses	**1,730.68**	1,780.04	1,519.37	6,378.99
5	**Profit before tax (3 - 4)**	**138.69**	202.26	69.90	395.14
6	**Tax expense**				
	Current tax	**49.85**	60.82	13.69	139.65
	Deferred tax charge/(credit)	**(0.18)**	12.80	10.61	1.30
	Total tax expense	**49.67**	73.62	24.30	140.95
7	**Profit from continuing operations after tax (5-6)**	**89.02**	128.64	45.60	254.19
8	Profit from discontinued operations	**42.42**	108.91	87.20	399.10
9	Tax expense of discontinued operations	**15.25**	39.64	30.31	142.40
10	**Profit from discontinued operations after tax (8-9)**	**27.17**	69.27	56.89	256.70
11	**Profit for the period (7+10)**	**116.19**	197.91	102.49	510.89
12	**Other comprehensive income (OCI) (net of tax)**				
	Other comprehensive income / (expenses) not to be reclassified to profit or loss -				
	Remeasurement gains / (losses) on defined benefit plans	**4.99**	(13.87)	16.86	2.99
	Income tax effect	**(1.75)**	4.85	(5.89)	(1.04)
	Total other comprehensive income (net of tax)	**3.24**	(9.02)	10.97	1.95
13	**Total comprehensive income (11+12)**	**119.43**	188.89	113.46	512.84
14	Paid-up Equity Share Capital (Face value per share - ₹ 2/- each)	**42.38**	42.38	42.38	42.38
15	Reserves excluding Revaluation Reserves as per Balance Sheet	-	-	-	3,964.94
16	**Earnings per share ('EPS') (of ₹ 2/- each) (not annualised except year end EPS)**				
	Continuing operations				
	a) Basic	**4.20**	6.07	2.15	12.00
	b) Diluted	**4.20**	6.07	2.15	12.00
	Discontinued operations				
	a) Basic	**1.28**	3.27	2.69	12.11
	b) Diluted	**1.28**	3.27	2.69	12.11
	Continuing and Discontinued operations				
	a) Basic	**5.48**	9.34	4.84	24.11
	b) Diluted	**5.48**	9.34	4.84	24.11

See accompanying notes to the financial results





Part II

Segmentwise revenues, results, assets and liabilities.

	Particulars	3 months ended 31/03/2019	Preceding 3 months ended 31/12/2018	Corresponding 3 months ended 31/03/2018 in the previous year	Previous year ended 31/12/2018
		Unaudited	Audited	Unaudited	Audited
a)	Segment Revenues				
	Robotics and Motion	**799.61**	698.07	596.90	2,502.19
	Electrification Products	**730.65**	748.03	650.92	2,616.07
	Industrial Automation	**361.39**	515.47	302.35	1,540.02
	Others	**39.97**	128.40	80.19	371.48
	Total	**1,931.62**	2,089.97	1,630.36	7,029.76
	Less : Inter segment revenues	**81.37**	123.65	63.90	339.64
	Total Revenue from operations (Continuing operations)	**1,850.25**	1,966.32	1,566.46	6,690.12
	Power Grids (Discontinued operations)	**907.95**	1,159.26	969.79	4,221.72
	Less: Inter segment revenues	**13.13**	17.25	10.77	49.94
	Total Revenue from operations (Discontinued operations)	**894.82**	1,142.01	959.02	4,171.78
b)	Segment Results (Profit Before Tax and Interest)				
	Robotics and Motion	**79.33**	74.93	43.10	220.52
	Electrification Products	**64.11**	75.64	66.99	249.58
	Industrial Automation	**36.53**	72.46	39.44	189.93
	Total	**179.97**	223.03	149.53	660.03
	(Add) / Less - Interest	**2.64**	5.27	19.85	53.90
	- Other unallocated expenditure net off unallocated income	**38.64**	15.50	59.78	210.99
	Total Profit Before Tax (Continuing operations)	**138.69**	202.26	69.90	395.14
	Power Grids (Discontinued operations)	**50.18**	113.68	90.50	421.90
	Less: Interest	**7.76**	4.97	3.30	22.80
	Total Profit Before Tax (Discontinued operations)	**42.42**	108.91	87.20	399.10
c)	Segment Assets				
	Robotics and Motion	**1,364.18**	1,103.53	1,169.01	1,103.53
	Electrification Products	**1,576.95**	1,471.61	1,462.68	1,471.61
	Industrial Automation	**1,051.45**	1,057.93	957.24	1,057.93
	Power Grids (Discontinued)	**2,954.46**	2,802.22	2,672.12	2,802.22
	Unallocated	**2,461.51**	2,641.61	2,968.11	2,641.61
	Total Segment Assets	**9,408.55**	9,076.90	9,229.16	9,076.90
d)	Segment Liabilities				
	Robotics and Motion	**1,095.21**	827.41	856.58	827.41
	Electrification Products	**859.33**	846.49	874.62	846.49
	Industrial Automation	**705.10**	692.07	812.27	692.07
	Power Grids (Discontinued)	**2,097.62**	2,122.74	1,954.10	2,122.74
	Unallocated	**514.77**	580.87	1,211.23	580.87
	Total Segment Liabilities	**5,272.03**	5,069.58	5,508.80	5,069.58

Notes

1. This statement has been reviewed by the Audit Committee and recommended for approval to the Board and the Board approved at its meeting held on May 7, 2019.

2. Effective January 1 2019, the Company has adopted IND AS 115, "Revenue from Contracts with customers". The Company has adopted the aforesaid standard retrospectively with a cumulative impact of ₹ 9.76 Crores (net of tax impact ₹ 5.24 Crores) credited to the retained earnings as on January 1, 2019. Accordingly, the comparatives are presented, as previously reported, under earlier revenue recognition standards.

3. The Board at its meeting held on February 13, 2019 granted in-principle approval for the segregation of the Company's Power Grids business from the other businesses of the Company. Consequently, in pursuant to the requirements of Ind AS 105 – Non Current Assets held for Sale and Discontinued Operations, the Company has classified the assets and liabilities as at December 31, 2018 and March 31, 2019 pertaining to the Power Grids Business as Assets / Liabilities held for sale and measured the same at lower of cost and fair value (fair value less costs to sell). The Financial results of Power Grids business are presented as discontinued operations in the current and prior periods presented.

   On March 5, 2019, the Board of Directors of Company approved the Scheme of Arrangement amongst the Company and ABB Power Products and Systems India Limited (APPSIL) (a newly incorporated wholly owned subsidiary of the Company) for Demerger of Company's Power Grids business to APPSIL ("Demerger"). The Scheme of Arrangement is subject to approval of Shareholders and Creditors of the Company and APPSIL and also subject to sanction by National Company Law Tribunal.

S R & Co. LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

ABB India Limited Bengaluru

4. ABB Power Products and Systems India Limited (APPSIL) was incorporated on February 19, 2019 as a wholly owned subsidiary of ABB India Limited. However, there are no transaction in APPSIL during the quarter ended March 31, 2019. Therefore, the above, financial results for the quarter ended March 31, 2019 are for the standalone financial statements for ABB India Limited.

5. The figures of the previous year/ periods have been regrouped/ reclassified, wherever necessary.

For ABB India Limited

Sanjeev Sharma
Managing Director
DIN: 07362344

Place : Bengaluru
Date : 07th May 2019

B S R & Co. LLP
Chartered Accountants

Maruthi Info-Tech Centre
11-12/1, B Block, 2nd Floor
Inner Ring Road, Koramangala
Bangalore 560 071 India

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Fax +91 80 7134 7999

Limited Review Report on unaudited quarterly financial results and year-to-date results of ABB India Limited pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of ABB India Limited

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of ABB India Limited ('the Company') for the quarter ended 31 March 2019 attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations').

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditors of the Entity*", specified under section 143 (10) of the Companies Act, 2013.This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Amit Somani

Amit Somani
Partner
Membership number: 060154
Place: Bangalore, India

Date: 7 May 2019

ABB India Limited

(₹ in Crores)

Balance Sheet as at March 31, 2019	**Notes**	**March 31, 2019**	March 31, 2018	December 31, 2018
Assets				
Non-current assets				
Property, plant and equipment	3	**747.14**	1,144.73	871.30
Capital work-in-progress	3	**92.79**	143.97	83.06
Goodwill	4	**14.62**	46.42	14.62
Other intangible assets	4	**8.87**	27.47	7.22
Financial assets				
Investments	5	**0.09**	0.17	0.09
Loans	6	**10.41**	27.08	10.42
Others financial assets	7	**1.52**	0.33	1.51
Deferred tax assets (net)	8	**108.15**	100.80	114.96
Non-current tax assets (net)	9	**268.82**	285.44	288.88
Other non-current assets	10	**157.36**	183.78	159.72
		1,409.77	1,960.19	1,551.78
Current assets				
Inventories	14	**1,029.72**	1,263.65	927.85
Financial assets				
Investments	5	**0.08**	258.85	0.08
Trade receivables	11	**1,910.88**	2,968.26	1,686.89
Cash and cash equivalents	12	**1,469.84**	1,401.26	1,472.40
Bank balance other than cash and cash equivalents	13	**2.66**	2.47	2.67
Loans	6	**17.77**	21.78	15.84
Other financial assets	7	**238.64**	805.63	281.91
Other current assets	15	**374.73**	547.07	335.26
		5,044.32	7,268.97	4,722.90
Assets classified as held for sale and discontinued operations	32	**2,954.46**	-	2,802.22
Total Assets		**9,408.55**	9,229.16	9,076.90
Equity and liabilities				
Equity				
Equity share capital	16	**42.38**	42.38	42.38
Other equity	17	**4,094.14**	3,677.98	3,964.94
		4,136.52	3,720.36	4,007.32
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	18	**2.03**	4.14	2.03
Other financial liabilities	19	**3.52**	3.96	3.49
Provisions	20	**32.29**	42.43	32.29
		37.84	50.53	37.81

ABB India Limited

(₹ in Crores)

Balance Sheet as at March 31, 2019	**Notes**	**March 31, 2019**	March 31, 2018	December 31, 2018
Current liabilities				
Financial liabilities				
Trade payables				
Total outstanding dues to micro enterprises and small enterprises	21	**177.49**	101.55	123.80
Total outstanding dues to creditors other than micro enterprises and small enterprises	21	**1,912.03**	2,737.43	1,750.71
Other financial liabilities	19	**440.47**	1,286.57	403.38
Other current liabilites	22	**343.34**	1,031.94	397.76
Provisions	20	**263.24**	300.78	233.38
		3,136.57	5,458.27	2,909.03
Liabilities directly associated with discontinued operations		**2,097.62**	-	2,122.74
Total Equity and liabilities		**9,408.55**	9,229.16	9,076.90

ABB India Limited
Statement of profit and loss **(₹ in Crores)**

For the period ended March 31, 2019	Notes	**March 31, 2019**	March 31, 2018	December 31, 2018
Income				
Revenue from operations	23	**1,850.25**	1,566.46	6,690.12
Other income	24	**19.12**	22.81	84.01
Total income		**1,869.37**	1,589.27	6,774.13
Expenses				
Cost of raw materials, components consumed and project bought outs	25	**1,057.86**	893.51	3,755.62
Purchases of traded goods	26	**184.04**	127.03	582.11
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	27	**(19.02)**	(1.59)	(50.38)
Subcontracting charges		**43.81**	59.15	226.30
Employee benefit expenses	28	**157.47**	145.40	529.50
Depreciation and amortisation expense	29	**23.31**	22.54	92.76
Finance costs	30	**2.64**	19.85	53.90
Other expenses	31	**280.57**	253.48	1,189.18
Total expenses		**1,730.68**	1,519.37	6,378.99
Profit from continuing operations before tax		**138.69**	69.90	395.14
Tax expense:				
Current tax	8	**49.85**	13.69	139.65
Deferred tax	8	**(0.18)**	10.61	1.30
		49.67	24.30	140.95
Profit from continuing operations after tax		**89.02**	45.60	254.19
Discontinued operations				
Profit from discontinued operations		**42.42**	87.20	399.10
Tax expense of discontinued operations		**15.25**	30.31	142.40
Profit from discontinued operations after tax		**27.17**	56.89	256.70
Profit for the year		**116.19**	102.49	510.89

ABB India Limited
Statement of profit and loss

(₹ in Crores)

For the period ended March 31, 2019	**Notes**	**March 31, 2019**	March 31, 2018	December 31, 2018
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement income/(loss) on defined benefit plan		**4.99**	16.86	2.99
Income tax effect	8	**(1.75)**	(5.89)	(1.04)
Other comprehensive income for the year, net of tax		**3.24**	10.97	1.95
Total comprehensive income for the year, net of tax		**119.43**	113.46	512.84
Earnings per equity share - continuing operations	33			
Basic		**4.20**	2.15	12.00
Diluted		**4.20**	2.15	12.00
Earnings per equity share - discontinued operations	33			
Basic		**1.28**	2.68	12.11
Diluted		**1.28**	2.68	12.11
Earnings per equity share - continuing and discontinued operations	33			
Basic		**5.48**	4.84	24.11
Diluted		**5.48**	4.84	24.11

ABB India Limited
Statement of cash flows **(₹ in Crores)**

For the period ended March 31, 2019	**March 31, 2019**	March 31, 2018	December 31, 2018
A. Cash flow from operating activities			
Profit before tax from continuing operations	**138.69**	69.90	395.14
Profit before tax from discontinued operations	**42.42**	87.20	399.10
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Depreciation and amortisation expense	**36.89**	35.61	145.78
Unrealised exchange loss / (gains) (net)	**(8.57)**	10.91	(19.10)
Mark to market change in forward and commodity contracts	**9.88**	(8.55)	0.54
Profit on sale of mutual funds	**-**	(4.37)	(12.22)
Profit on sale of business	**-**	-	(14.01)
(Profit) / loss on sale of fixed assets (net)	**(2.77)**	(1.11)	3.84
Bad debts / advances written off	**20.11**	1.71	86.50
Provision for doubtful debts and advances	**(9.05)**	(0.69)	12.56
Interest income	**(16.32)**	(17.33)	(60.49)
Interest expense	**10.40**	19.85	76.69
Operating profit before working capital changes	**221.68**	193.13	1,014.33
Movement in working capital			
Increase / (decrease) in trade payables	**111.69**	108.62	483.52
Increase / (decrease) in other financial liabilities	**61.69**	153.04	13.55
Increase / (decrease) in other liabilities and provisions	**144.08**	5.42	134.70
(Increase) / decrease in trade receivables	**(261.02)**	(198.99)	(646.46)
(Increase) / decrease in inventories	**(152.12)**	(110.10)	(197.79)
(Increase) / decrease in other financial assets	**109.26**	(80.92)	55.57
(Increase) / decrease in loans and other assets	**(86.01)**	(79.46)	(7.18)
Cash generated from operations	**149.25**	(9.26)	850.24
Direct taxes paid (net of refunds)	**(67.63)**	(31.76)	(224.78)
Net cash flow from operating activities	**81.62**	(41.02)	625.46
B. Cash flow from investing activities			
Purchase of property, plant and equipment	**(58.40)**	(64.58)	(243.68)
Proceeds from sale of property, plant and equipment	**7.65**	5.55	7.65
	-	-	33.88
Proceeds from maturity of investments	**-**	15.96	16.04
Interest received	**14.71**	15.79	63.19
Investment in mutual fund	**-**	0.01	266.63
Net cash flow used in investing activities	**(36.04)**	(27.27)	143.71

ABB India Limited
Statement of cash flows

For the period ended March 31, 2019	**March 31, 2019**	March 31, 2018	December 31, 2018
C. Cash flow from financing activities			
Repayment of debentures	**-**	-	(600.00)
Proceeds from finance lease obligation	**-**	-	(1.43)
Interest paid	**(10.40)**	(19.76)	(79.85)
Dividend paid (including tax on dividend)	**-**	-	(112.41)
Net cash flow from / (used in) financing activities	**(10.40)**	(19.76)	(793.69)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**35.18**	(88.05)	(24.52)
Effects of exchange (loss) / gain on cash and cash equivalents	**(0.03)**	0.12	1.27
Cash and cash equivalents pertaining to discontinued operations (refer note 32)	**(37.71)**	-	6.46
Cash and cash equivalents (opening balance)	**1,472.40**	1,489.19	1,489.19
Cash and cash equivalents (closing balance)	**1,469.84**	1,401.26	1,472.40
Components of cash and cash equivalents			
Cash and bank balances	**1,472.50**	1,403.73	1,475.07
Less: Unpaid dividend account	**2.66**	2.47	2.67
(Also refer note no. 13)	**1,469.84**	1,401.26	1,472.40

3 Property, plant and equipment and capital work-in-progress

(₹ in Crores)

	Owned assets								Leased assets		
	Freehold Land	Leasehold Land	Leasehold Improvements	Factory Buildings	Other Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Vehicles	Plant and Equipment	Total
Gross carrying value											
Deemed cost as at January 1, 2018	67.28	21.24	24.25	304.36	64.24	866.95	16.51	44.74	0.81	12.00	1,422.38
Additions	1.30	-	6.24	10.54	29.52	151.57	10.48	25.70	0.15	3.71	239.21
Disposal	-	(0.78)	(9.22)	(3.52)	(0.73)	(29.46)	(2.58)	(3.53)	-	-	(49.82)
Transferred to discontinued operations	(13.59)	-	(0.35)	(19.94)	(4.91)	(455.08)	(3.46)	(8.38)	(0.25)	-	(505.96)
As at December 31, 2018	54.99	20.46	20.92	291.44	88.12	533.98	20.95	58.53	0.71	15.71	1,105.81
Additions	**-**	**-**	**-**	**0.24**	**0.29**	**6.05**	**0.38**	**0.41**	**-**	**0.13**	**7.50**
Disposals	**(0.01)**	**-**	**(0.17)**	**-**	**-**	**(0.33)**	**(0.19)**	**-**	**-**	**-**	**(0.70)**
Transferred to discontinued operations	**(0.06)**	**(9.53)**	**0.11**	**(142.71)**	**(8.01)**	**(4.56)**	**1.35**	**(1.27)**	**-**	**-**	**(164.68)**
As at March 31, 2019	**54.92**	**10.93**	**20.86**	**148.97**	**80.40**	**535.14**	**22.49**	**57.67**	**0.71**	**15.84**	**947.93**
Accumulated depreciation											
Balance as at January 1, 2018	-	0.66	11.87	24.32	6.65	212.62	7.33	12.51	0.25	3.57	279.78
Depreciation charge for the year	-	0.32	2.51	12.73	3.47	99.14	4.27	7.42	0.19	5.22	135.27
Disposals	-	(0.11)	(9.21)	(1.30)	(0.35)	(22.67)	(2.57)	(3.00)	-	-	(39.21)
Transferred to discontinued operations	-	-	(0.13)	(2.59)	(0.72)	(133.97)	(1.56)	(2.19)	(0.17)	-	(141.33)
As at December 31, 2018	-	0.87	5.04	33.16	9.05	155.12	7.47	14.74	0.27	8.79	234.51
Depreciation charge for the year	**-**	**0.08**	**0.67**	**2.94**	**0.73**	**13.70**	**1.07**	**1.75**	**0.03**	**1.35**	**22.32**
Disposals	**-**	**-**	**(0.17)**	**-**	**-**	**(0.24)**	**(0.12)**	**-**	**-**	**-**	**(0.53)**
Transferred to discontinued operations	**-**	**(0.71)**	**(0.05)**	**(42.81)**	**(2.34)**	**(6.32)**	**(1.74)**	**(1.54)**	**-**	**-**	**(55.51)**
As at March 31, 2019	**-**	**0.24**	**5.49**	**(6.71)**	**7.44**	**162.26**	**6.68**	**14.95**	**0.30**	**10.14**	**200.79**
Net carrying value as at December 31, 2018	54.99	19.59	15.88	258.28	79.07	378.86	13.48	43.79	0.44	6.92	871.30
Net carrying value as at March 31, 2019	**54.92**	**10.69**	**15.37**	**155.68**	**72.96**	**372.88**	**15.81**	**42.72**	**0.41**	**5.70**	**747.14**
Capital work in progress as at December 31, 2018											83.06
Capital work in progress as at March 31, 2019											**92.79**

Notes:

a) Other buildings include cost of shares in Lotus Court Private Limited **₹ 0.01 crores**.

b) The Company had acquired freehold land of 20 acres 36 guntas on a slump sales basis, in 2011. Out of such free hold land acquired 15 acres and 5 guntas is registered in the Company's name and the balance 5 acres and 31 guntas is in the process of being registered.

c) There are no tangible assets given on operating lease.

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

4 Intangible assets **(₹ in Crores)**

	Goodwill	Other intangible assets		Total
		Technical Know-how fees	Capitalised Software	
Gross carrying value				
Deemed cost as at January 1, 2018	46.42	49.48	6.82	56.30
Additions	-	-	2.45	2.45
Disposal	-	(1.20)	(0.40)	(1.60)
Transferred to discontinued operations	(31.80)	(33.36)	(2.29)	(35.65)
As at December 31, 2018	14.62	14.92	6.58	21.50
Additions	**-**	**-**	**2.64**	**2.64**
Disposals	**-**	**-**	**-**	**-**
As at March 31, 2019	**14.62**	**14.92**	**9.22**	**24.14**
Accumulated amortisation / impairment				
Balance as at January 1, 2018	-	23.45	3.21	26.66
Amortisation charge for the year	-	8.85	1.66	10.51
Disposals	-	(0.70)	(0.40)	(1.10)
Transferred to discontinued operations	-	(20.72)	(1.07)	(21.79)
As at December 31, 2018	-	10.88	3.40	14.28
Amortisation charge for the year	**-**	**0.65**	**0.34**	**0.99**
Disposals	**-**	**-**	**-**	**-**
As at March 31, 2019	**-**	**11.53**	**3.74**	**15.27**
Net carrying value as at December 31, 2018	14.62	4.04	3.18	7.22
Net carrying value as at March 31, 2019	**14.62**	**3.39**	**5.48**	**8.87**

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
5 Investments						
Investment in bonds & debentures						
Unquoted:-						
(Carried at amortised cost)						
10 5.95%, 15 years Non-cumulative bonds of Karnataka Water & Sanitation Pooled Fund Trust of **₹ 2,50,000** (December 31, 2017 - ₹ 3,33,334) each fully paid.	**0.09**	0.17	0.09	**0.08**	0.08	0.08
Investment in mutual fund						
Quoted:-						
(Carried at fair value through profit and loss)						
Mutual funds						
755,784.82 units of -HDFC liquid fund - Direct plan - Growth option	**-**	-	-	**-**	258.77	-
	0.09	0.17	0.09	**0.08**	258.85	0.08

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
6 Loans						
(Unsecured considered good, unless otherwise stated)						
Security deposits	**10.41**	27.08	10.42	**13.27**	13.94	11.59
Loans to employees	**-**	-	-	**4.50**	7.84	4.25
	10.41	27.08	10.42	**17.77**	21.78	15.84

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
7 Other financial assets						
(Unsecured considered good)						
Non current bank balances	**1.52**	0.33	1.51	**-**	-	-
Interest accrued on fixed deposits	**-**	-	-	**3.81**	6.45	2.22
Interest accrued on investments	**-**	-	-	**0.01**	0.01	-
Deposits with customers	**-**	-	-	**5.96**	12.89	6.00
Contract revenue in excess of billing / unbilled revenue	**-**	-	-	**164.11**	700.69	217.38
Other receivables	**-**	-	-	**32.70**	41.54	30.29
Mark to market gain on forward contracts*	**-**	-	-	**18.60**	30.78	13.35
Mark to market gain on embedded derivatives*	**-**	-	-	**13.45**	13.27	12.67
	1.52	0.33	1.51	**238.64**	805.63	281.91

* At fair value through profit and loss

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
9 Non current tax asset (net)			
Advance income-tax (net of provision for tax)	**268.82**	285.44	288.88
	268.82	285.44	288.88

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
10 Other non-current assets			
Capital advances	**10.06**	10.25	13.16
Advances recoverable in cash or kind (considered doubtful)	**3.71**	4.40	3.24
	3.71	4.40	3.24
Less: Provision for doubtful advances	**3.71**	4.40	3.24
	-	-	-
Taxes and duties recoverable	**146.57**	172.40	145.72
Prepaid rent	**0.73**	1.13	0.84
	157.36	183.78	159.72

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
11 Trade receivables						
Unsecured						
Considered good	**-**	-	-	**1,910.88**	2,968.26	1,686.89
Considered doubtful	**232.40**	332.53	219.31	**144.22**	241.35	167.21
	232.40	332.53	219.31	**2,055.10**	3,209.61	1,854.10
Less:						
Loss allowance on doubtful receivable	**232.40**	332.53	219.31	**144.22**	241.35	167.21
	-	-	-	**1,910.88**	2,968.26	1,686.89

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
12 Cash and cash equivalents			
Balances with banks			
- On current accounts	**218.83**	200.22	147.23
- Deposit accounts (Original maturity upto 3 months)	**1,215.00**	1095.00	1225.00
Cheques on hand / remmittance in transit	**36.00**	106.03	100.16
Cash on hand	**0.01**	0.01	0.01
	1,469.84	1,401.26	1,472.40
13 Bank balances other than cash and cash equivalent			
Unpaid dividend account	**2.66**	2.47	2.67
	2.66	2.47	2.67

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
14 Inventories (valued at lower of cost and net realisable value)			
Raw materials and components	**711.84**	850.87	629.22
Work-in-progress	**209.29**	302.19	186.89
Finished goods	**81.03**	75.58	80.84
Traded goods	**26.10**	32.50	29.67
Stores and spares	**1.46**	2.51	1.23
	1,029.72	1,263.65	927.85

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
15 Others current assets			
Prepaid expenses	**34.85**	29.82	24.51
Advances recoverable in cash or kind	**28.69**	93.97	31.46
Balance with government authorities	**222.71**	290.49	200.60
Taxes and duties recoverable	**56.30**	95.67	48.43
Other receivables	**32.18**	37.12	30.26
	374.73	547.07	335.26

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

16 Equity

	March 31, 2019		March 31, 2018		December 31, 2018	
Share capital						
	Equity shares		Equity shares		Equity shares	
	Numbers	**(₹ in Crores)**	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
Authorised share capital						
At December 31, 2018	**21,25,00,000**	**42.50**	21,25,00,000	42.50	21,25,00,000	42.50
At March 31, 2019	**21,25,00,000**	**42.50**	21,25,00,000	42.50	21,25,00,000	42.50
	Preference shares		Preference shares		Preference shares	
	Numbers	**(₹ in Crores)**	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
11% Redeemable 10 years, cumulative preference shares						
At December 31, 2018	**7,50,000**	**7.50**	7,50,000	7.50	7,50,000	7.50
At March 31, 2019	**7,50,000**	**7.50**	7,50,000	7.50	7,50,000	7.50
Issued equity share capital						
Equity shares of ₹ 2 each issued, subscribed and fully paid	**Numbers**	**(₹ in Crores)**	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
At December 31, 2018	**21,19,08,375**	**42.38**	21,19,08,375	42.38	21,19,08,375	42.38
At March 31, 2019	**21,19,08,375**	**42.38**	21,19,08,375	42.38	21,19,08,375	42.38

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
17 Other equity			
a) Securities premium account			
Opening balance	**60.00**	60.00	60.00
Closing balance	**60.00**	60.00	60.00
b) Surplus in the statement of profit and loss			
Opening balance	**798.11**	397.69	397.68
Net profit for the year	**116.19**	102.49	510.89
Other comprehensive income/ (loss) (net of tax)	**3.24**	10.97	1.95
Less: Appropriations during the year			
Equity dividend paid	**-**	-	93.24
Tax on equity dividend paid	**-**	-	19.17
Balance as at	**-**	-	112.41
Closing balance	**917.54**	511.15	798.11
c) Employee stock options reserve			
Opening balance	**0.07**	0.03	0.07
Add: Employee compensation expense for the year	**-**	0.04	-
Closing balance	**0.07**	0.07	0.07
d) Debenture redemption reserve			
Opening balance	**-**	150.00	150.00
Add : Transferred during the year	**-**	-	(150.00)
Closing balance	**-**	150.00	-
Other reserves			
e) Capital reserve			
Opening balance	**1.10**	1.10	1.10
Closing balance	**1.10**	1.10	1.10
f) Capital redemption reserve			
Opening balance	**7.50**	7.50	7.50
Closing balance	**7.50**	7.50	7.50

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
g) General reserve			
Opening balance	**3,098.16**	2,948.16	2,948.16
Add : Transferred during the year	**-**	-	150.00
Closing balance	**3,098.16**	2,948.16	3,098.16
Total other equity	**4,094.14**	3,677.98	3,964.94

Nature and purpose of other reserves

a) Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

b) Employee stock option reserve
The share options outstanding account is used to recognise the grant date fair value of the options issued to employees under Employee Share Acquisition Plan schemes.

c) Debenture redemption reserve
The Company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

d) Capital reserve
Capital reserve pertains to acquisitions in the earlier years.

e) Capital Redemption reserve
The Company had transferred to Capital Redemption reserve, a sum equal to the nominal amount of preference shares to be redeemed out of the profits available for distribution as dividend.

f) General Reserve
General reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be subsequently reclassified to statement of profit and loss.

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
18 Borrowings						
(At amortized cost)						
Secured:						
Finance lease obligations	**2.03**	4.14	2.03	**-**	-	-
	2.03	4.14	2.03	**-**	-	-

Note:
The debentures are repayable after 3 years from the date of allotment being September 4, 2015. The debentures carry interest rate of MIBOR plus 80 basis points. The proceeds have been utilized towards working capital and other corporate purposes including refinancing of Company's debt.

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
19 Other financial liabilities						
Security deposits received	**3.52**	3.96	3.49	**0.04**	0.08	0.04
Interest accrued but not due on long-term borrowings	**-**	**-**	**-**	**-**	3.25	-
Unpaid Dividends	**-**	**-**	**-**	**2.66**	2.47	2.67
Employee related payables	**-**	**-**	**-**	**89.21**	69.90	75.16
Mark to market loss on embeded derivatives*	**-**	**-**	**-**	**8.43**	26.76	9.90
Mark to market loss on forward contracts*	**-**	**-**	**-**	**33.58**	24.37	23.59
Current maturities of long term borrowings	**-**	**-**	**-**	**-**	600.00	-
Current maturities of finance lease liablities	**-**	**-**	**-**	**4.89**	4.21	4.89
Other payables	**-**	**-**	**-**	**301.66**	555.53	287.13
	3.52	3.96	3.49	**440.47**	1,286.57	403.38

* At fair value through profit and loss

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	Non-current			Current		
	March 31, 2019	March 31, 2018	December 31, 2018	**March 31, 2019**	March 31, 2018	December 31, 2018
20 Provisions						
Provisions for employee benefits						
Gratuity	**-**	-	-	**15.32**	(2.18)	4.08
Provident fund	**-**	-	-	**11.69**	11.71	-
Leave benefits	**-**	-	-	**31.05**	39.79	25.75
Other provisions						
Warranties	**-**	-	-	**88.49**	151.06	86.40
Loss orders	**-**	-	-	**16.33**	27.66	17.33
Litigations	**-**	-	-	**0.57**	1.09	0.57
Sales tax	**32.29**	42.43	32.29	**24.26**	49.44	23.72
Provision for income tax (net)	**-**	-	-	**75.53**	22.21	75.53
	32.29	42.43	32.29	**263.24**	300.78	233.38

Nature of provisions:

i) Warranties: The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at September 30, 2018 represents the amount of the expected cost based on technical evaluation and past experience of meeting such obligations. It is expected that this expenditure will be incurred over the contractual warranty period.

ii) Loss orders: A provision for expected loss on construction contracts is recognised when it is probable that the contract costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

iii) Provision for litigation represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters in litigation. The outflow would depend on the cessation of the respective events.

iv) Provision for sales tax represents mainly the differential sales tax liability on account of non – collection of declaration forms. The outflow would depend on the cessation of the respective events.

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
21 Trade Payables			
Dues to micro and small enterprises	**177.49**	101.55	123.80
	177.49	101.55	123.80
Dues to creditors other than micro and small enterprises			
Acceptances	**502.39**	729.49	431.87
Other trade payables	**1409.64**	2,007.94	1318.84
	1,912.03	2,737.43	1,750.71
	2,089.52	2,838.98	1,874.51

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
22 Other liabilities			
Billing in excess of contract revenue	**99.96**	213.48	133.40
Statutory dues payable	**0.40**	74.67	18.37
Advance from customer	**228.11**	708.27	230.78
Deferred revenue	**-**	11.71	1.65
Other payables	**14.87**	23.81	13.56
	343.34	1,031.94	397.76

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
23 Revenue from operations (net)			
Sale of products and services			
Sale of products	**1,739.00**	1,448.37	6,242.91
Sale of services	**89.30**	102.71	370.45
	1,828.30	1,551.08	6,613.36
Other operating revenues			
Scrap sales	**9.45**	2.37	13.01
Commission income	**0.81**	0.61	2.38
Income from development services	**6.59**	5.02	29.81
Miscellaneous income	**5.10**	7.38	31.56
	21.95	15.38	76.76
Revenue from operations (net)	**1,850.25**	1,566.46	6,690.12
24 Other income			
Finance income			
Interest income:			
Interest on security deposit	**0.11**	0.22	0.83
Interest on retention	**-**	1.21	3.38
Interest from deposits with bank	**16.14**	15.86	42.73
Interest from long-term investments	**-**	-	0.01
	16.25	17.29	46.95
Other income			
Mark to market fair value change in investment	**-**	4.37	12.22
Interest income - on tax refunds etc.	**0.04**	0.04	0.33
Income from sale of revenue contracts	**-**	-	10.50
Profit on sale of divestment	**-**	-	14.01
Profit on sale of fixed assets (net)	**2.83**	1.11	-
	2.87	5.52	37.06
	19.12	22.81	84.01

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
25 Cost of materials consumed			
Raw material and components consumed			
Inventory at the beginning of the year	**629.22**	468.74	468.74
Add : Purchases during the year	**1,140.48**	1,055.34	3,916.10
Less : Inventory at the end of the year	**711.84**	630.57	629.22
Cost of raw materials consumed	**1,057.86**	893.51	3,755.62
Cost of traded goods sold			
Inventory at the beginning of the year	**29.67**	27.29	27.29
Add : Purchases during the year	**184.04**	127.03	582.11
Less : Inventory at the end of the year	**26.10**	32.22	29.67
Cost of traded goods sold	**187.61**	122.10	579.73
26 Purchases of traded goods			
Motors and other machines	**20.32**	18.53	113.34
Switchgears	**0.80**	0.90	6.40
Power invertors	**1.24**	0.53	2.17
Others	**161.68**	107.07	460.20
	184.04	127.03	582.11
27 Changes in inventories of finished goods, traded goods and work-in-			
Opening stock			
- Finished goods	**80.84**	56.66	56.66
- Work-in-progress	**186.89**	163.07	163.07
- Traded goods	**29.67**	27.29	27.29
	297.40	247.02	247.02
Closing stock			
- Finished goods	**81.03**	61.73	80.84
- Work-in-progress	**209.29**	154.66	186.89
- Traded goods	**26.10**	32.22	29.67
	316.42	248.61	297.40
	(19.02)	(1.59)	(50.38)

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
28 Employee benefit expenses			
Salaries, wages and bonus	**119.89**	108.96	454.69
Gratuity	**10.75**	11.57	1.43
Provident fund	**12.10**	8.93	9.56
Contribution to superannuation and other funds	**3.86**	3.96	15.85
Staff welfare expenses	**8.57**	10.19	37.96
Training, recruitment and transfer expenses	**2.30**	1.79	10.01
	157.47	145.40	529.50
29 Depreciation and amortisation expense			
Depreciation of tangible assets	**22.32**	21.51	88.65
Amortisation of intangible assets	**0.99**	1.03	4.11
	23.31	22.54	92.76
30 Finance costs			
Interest expenses	**1.76**	18.33	41.44
Bill discounting and other charges	**0.83**	1.02	11.14
Interest expense on provisions measured at amortised cost	**0.05**	0.50	1.32
	2.64	19.85	53.90

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
31 Other expenses			
Consumption of stores and spares	**3.21**	2.85	12.56
Packing expenses	**5.64**	6.08	24.79
Royalty and technology fees	**54.83**	46.72	174.51
Freight and forwarding	**24.23**	19.09	99.14
Postage and telephone	**0.98**	1.35	3.87
Commission (other than sole selling agent)	**0.48**	1.30	5.34
Power and fuel	**4.75**	4.46	21.87
Travelling and conveyance	**21.95**	22.84	86.98
Insurance	**2.22**	2.23	10.21
Rates and taxes	**2.19**	(10.71)	(13.94)
Rent	**6.92**	9.96	33.42
Repairs :			
Buildings	**1.24**	1.87	6.31
Plant and machinery	**4.84**	4.52	17.89
Others	**0.72**	0.71	3.97
Provision for doubtful debts and advances (net)	**(14.13)**	(0.69)	24.34
Bad debts / advances written off	**1.63**	1.71	68.68
Loss on sale of fixed assets (net)	**-**	-	2.12
Printing and stationery	**0.96**	0.86	3.44
Bank charges	**2.61**	2.74	6.32
CSR expenditure	**-**	-	9.48
Legal and professional	**12.44**	13.74	56.35
Auditor's remuneration	**0.70**	0.96	2.49
Trade-mark fees	**21.16**	14.83	68.22
Information technology expenses	**55.02**	41.20	193.44
Exchange rate difference - loss (net)	**0.87**	9.87	44.11
Director's fees and commission	**0.05**	0.02	0.98
Services from third parties	**22.61**	18.70	80.89
Testing and inspection charges	**1.63**	1.80	10.58
Seminar and publicity expenses	**1.04**	3.86	14.79
Group management fees etc.	**22.72**	23.05	87.34
Miscellaneous	**17.06**	7.54	28.67
	280.57	253.48	1,189.18

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018

32 Discontinued operations

Disposal of powergrid business

On 17th December 2018, ABB Limited, Zurich announced the sale of its Global Power Grids Business to Hitachi. Further to the global announcement, in the Board meeting held on 13th February, 2019 the Board granted in-principle approval for the segregation of the Company's Power Grid's business from the other business of the Company. Consequently, in pursuant to the requirements of Ind AS 105 – Non Current Assets Held for Sale and Discontinued Operations, the Company has classified the assets and liabilities as at 31st December 2018 pertaining to the Power Grids Business as Assets / Liabilities held for sale and measured the same at lower of cost and fair value (fair value less costs to sell). The results of Power Grid business are presented in results from discontinued operations in the current and prior periods presented.

The financial performance and cash flows for powergrid business:

	March 31, 2019	March 31, 2018	December 31, 2018
(a) Analysis of profit from discontinued operations			
Income			
Revenue from operations	**894.84**	959.02	4,171.77
Other income	**0.03**	4.10	13.21
Total income	**894.87**	963.12	4,184.98
Expenses			
Cost of raw materials, components consumed and project bought outs	**476.23**	547.00	2,383.73
Purchases of traded goods	**0.49**	3.66	1.25
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	**(11.34)**	7.62	(33.99)
Subcontracting charges	**78.29**	86.70	320.18
Employee benefit expenses	**86.67**	73.00	299.78
Depreciation and amortisation expense	**13.59**	13.07	53.02
Finance costs	**7.76**	3.30	22.79
Other expenses	**200.76**	141.56	739.12
Total expenses	**852.45**	875.91	3,785.88
Profit before tax	**42.42**	87.21	399.10
Tax expense:	**15.25**	30.31	142.40
Profit after tax	**27.17**	56.90	256.70

ABB India Limited
Notes to the financial statements for the period ended March 31, 2019

(₹ in Crores)

	March 31, 2019	March 31, 2018	December 31, 2018
(b) Net cash flows attributable to the discontinued operations			
Net cash (outflows) / inflows from operating activities	**0.49**	-	456.06
Net cash used in investing activities	**(147.11)**	-	(58.87)
Net cash (outflows) / inflows from financing activities	**184.32**	-	(446.28)
Net cash outflows	**37.70**	-	(49.09)
(c) Book value of assets and liabilities of discontinued operations			
Property, plant and equipment and intangible assets (including CWIP)	**569.14**	423.20	435.70
Non-current financial assets	**6.09**	6.09	6.09
Other non-current assets	**66.38**	50.62	39.85
Inventories	**469.59**	383.27	419.36
Trade receivables	**1,428.93**	1,067.66	1,399.95
Cash and cash equivalents	**31.25**	42.41	(6.46)
Current financial assets	**273.01**	493.00	379.38
Other current assets	**110.08**	205.87	128.35
Total assets (A)	**2,954.47**	2,672.12	2,802.22
Non-current financial liabilities - provisions	**9.76**	9.76	9.76
Trade payables	**1,071.63**	1,045.48	1,180.58
Other financial liabilities	**235.90**	187.10	202.69
Other current liabilities	**624.14**	598.02	580.73
Current liabilities - provisions	**156.19**	113.76	148.98
Total liabilities (B)	**2,097.62**	1,954.12	2,122.74
Net Assets (A - B)	**856.85**	718.00	679.48

33 Earning per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations

a) Profit after tax			
From continuing operations	**89.02**	45.60	254.19
From discontinued operations	**27.17**	56.89	256.70
b) Profit attributable to equity shareholders	**116.19**	102.49	510.89
c) Weighted average number of Equity Shares outstanding during the year	**21,19,08,375**	21,19,08,375	21,19,08,375
d) Nominal value of shares (in ₹)	**2.00**	2.00	2.00
e) Earnings per share- Basic and diluted (in ₹)			
From continuing operations (in ₹)	**4.20**	2.15	12.00
From discontinued operations (in ₹)	**1.28**	2.68	12.11
From continuing and discontinued operations (in ₹)	**5.48**	4.84	24.11

Annexure XI

This is an Abridged Prospectus containing information pertaining to ABB Power Products and Systems India Limited **("Company")** which is being issued in compliance with Annexure I, Paragraph 3(a) of circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, issued by the Securities and Exchange Board of India in relation to a scheme of arrangement between ABB India Limited **("INABB")** and the Company, their respective shareholders and creditors. You are encouraged to read greater details about the Company and proposed business of the Company included in the scheme of arrangement approved by the Board of Directors of INABB and the Company on March 5, 2019, available on the websites of the BSE Limited and the National Stock Exchange of India Limited and investor presentations and corporate disclosures issued by INABB available at www.abb.co.in. This Abridged Prospectus does not purport to include complete information of the Company, including its business, operations, assets and liabilities. For further details see "Any other important information as per Lead Manager/Issuer Company" of this Abridged Prospectus.

Nothing in this Abridged Prospectus constitutes an offer or an invitation by or on behalf of either the Company or INABB to subscribe for or purchase any of the securities of the Company.

THIS ABRIDGED PROSPECTUS CONTAINS 8 PAGES.
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

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

Contact Person: Mr T.K. Sridhar; **Tel**: +91 80 2294 9150;
Email:sridhar.tk@in.abb.com; **Website**: www.abb.co.in
Corporate Identity Number: U31904KA2019PLC121597

OUR PROMOTER(S)*: ABB ASEA BROWN BOVERI LTD

*Promoter of the Company post-effectiveness of the Scheme.

SCHEME DETAILS, LISTING AND PROCEDURE

The proposed issue of equity shares of the Company is pursuant to a scheme of arrangement filed under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst INABB and the Company, their respective shareholders and creditors, as approved by the board of directors of INABB and the Company on March 5, 2019 ("**Scheme**") pursuant to which the PG Business (as defined below) will be transferred by INABB to the Company; in exchange for which the shareholders of INABB will receive equity shares of the Company ("**Equity Shares**") as per the share entitlement ratio set out in the Scheme (i.e. 1 fully paid up Equity Share of Rs. 2 each of the Company shall be issued and allotted for every 5 fully paid up equity shares of Rs. 2 each held in INABB).

Accordingly there shall be no price band or minimum bid lot size applicable to the proposed issue of Equity Shares. The Equity Shares are proposed to be listed on the BSE Limited and the National Stock Exchange of India Limited (collectively the "**Stock Exchanges**").

PROCEDURE

Pursuant to the provisions of the Scheme, post receipt of approval of the National Company Law Tribunal **("NCLT")** and upon filing the certified copies of the sanction order(s) of the NCLT approving the Scheme with the Registrar of Companies, the Company shall issue and allot Equity Shares to the shareholders of INABB as per the share entitlement ratio set out in the Scheme, as on the record date to be mutually finalized by the board of directors of INABB and the Company. The Equity Shares so allotted shall be listed on the Stock Exchanges pursuant to an exemption application under rule 19(7) of the Securities Contracts (Regulation) Rules, 1957 **("SCRR")** for relaxation of strict application of rule 19(2)(b) of the SCRR, with the Stock Exchanges.

This being an issue and allotment of Equity Shares pursuant to the Scheme, the procedures set out under the General Information Document will not be applicable.

ELIGIBILITY FOR THE ISSUE

Since the Equity Shares shall be allotted pursuant to the provisions of the Scheme, eligibility conditions under Regulations 6(1) and 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 are not applicable. Persons who are shareholders of INABB as on the record date to be mutually finalized by the Board of Directors of INABB and the Company, post effectiveness of the Scheme shall be eligible to receive Equity Shares of the Company, pursuant to the provisions of the Scheme.

INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme, and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including, the NCLT, the time frame cannot be established with certainty.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest their funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Company and the Scheme, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Abridged Prospectus. Specific attention of the investors is invited to the section titled "Internal Risk Factors" at page 6 of this Abridged Prospectus.

PRICE INFORMATION OF LEAD MANAGER

Not Applicable

(Since this is an issue and allotment of Equity Shares to shareholders of INABB pursuant to the Scheme)

NAME OF LEAD MANAGER

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020
Maharashtra
Tel: +91 22 2288 2460
E-mail: anurag.byas@icicisecurities.com/sameer.purohit@icicisecurities.com
SEBI Registration No: INM000011179

Name of Statutory Auditor - BSR & Co. LLP
Registrar - Not applicable for the purpose of the Scheme. The Company will appoint a registrar at the time of listing of Equity Shares.
Syndicate Members - Not applicable
Credit Rating Agency - Not applicable

Debenture trustee - Not applicable
Self-Certified Syndicate Banks - Not applicable
Non-Syndicate Registered Brokers - Not applicable

PROMOTERS OF ISSUER COMPANY

Promoter as on the date of the Abridged Prospectus:

The Company is a wholly owned subsidiary of INABB. However, after the effectiveness of the Scheme, INABB and its nominees shall cease to be shareholders of the Company.

INABB is a pioneering technology leader headquartered in Bangalore. It is listed on the BSE Limited and the National Stock Exchange of India Limited. It provides a comprehensive offering for digital industries with four customer-focused, globally leading businesses: Electrification, Industrial Automation, Motion, and Robotics and Discrete Automation, supported by its common ABB Ability™ digital platform. Additional information is available at INABB's website at www.abb.co.in.

Upon effectiveness of the Scheme:

The promoter of the Company shall be ABB Asea Brown Boveri Ltd, Zurich, Switzerland. ABB Asea Brown Boveri Ltd is a limited liability company duly established under the laws of Switzerland. with principal offices at affolternstrasse 44, CH-8050 Zurich, Switzerland. It is the only subsidiary of ABB Ltd., the ABB Group's ultimate parent company, and directly or indirectly owns or controls all of the other companies in the ABB Group. ABB is pioneering technology leader with a comprehensive offering for digital industries. With history of innovation spanning more than 130 years, ABB is today a leader in digital industries with four customer-focused, globally leading businesses: Electrification, Industrial Automation, Motion and Robotics & Discrete Automation, supported by its common ABB Ability™ digital platform. ABB operates in more than 100 countries with about 147,000 employees. The shares of ABB Ltd are currently listed on the SIX Swiss Exchange, the NASDAQ OMX Exchange and the New York Stock Exchange (in the form of American Depositary Shares).

INABB is a group company of ABB Ltd.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

As on the date of this Abridged Prospectus, the Company has not undertaken business operations.

Pursuant to the Scheme, the power grids business **("PG Business")** of INABB, i.e., the business of the development, engineering, manufacturing and sale of products, systems and projects that relate to the businesses of: (a) power grids automation, (b) power grids integration, (c) high voltage products and (d) transformers, in each case, presently being undertaken by INABB, will be demerged into the Company with an appointed date of April 1, 2019 or such other date as the NCLT may direct/allow. For details of the rationale for the Scheme, please refer to the Scheme.

The PG Business being demerged into the Company provides product, system, software and service solutions across the power value chain that are designed to meet the growing demand for electricity with minimum environmental impact. The portfolio includes grid integration, transmission, distribution and automation solutions and a complete range of high-voltage products and transformers. These solutions support utility, industry and transport and infrastructure customers to plan, build, operate and maintain their power infrastructure. They are designed to facilitate the safe, reliable and efficient integration, transmission and distribution of bulk and distributed energy generated from conventional and renewable sources.

For further details, please refer to financial statements, investor presentations and corporate disclosures issued by INABB, which are available at https://new.abb.com/investorrelations/financial-results-and-presentations/quarterly-results-and-annual-reports.

The strengths of the Company, post effectiveness of the Scheme and commencement of operations are expected to be :

- A deep presence in evolving markets – The market in which the Company will operate is rapidly expanding. The growth is driven by increasing adoption of renewable energy, rising energy demand in emerging countries and the expansion of distributed power sources such as electric vehicles and storage batteries and the-deregulation of the electric power sector in multiple countries and regions.
- Long standing presence of the PG Business – The PG Business has a proven track record of pioneering technology like HVDC transmission-accounting for a significant proportion of the world's installed base. It is also one of the market leaders in high-voltage products and substation solutions and the largest manufacturer of transformers.
- Access to strong human resources, technical skills and technology.

The strategies of the Company, post effectiveness of the Scheme and commencement of operations are expected to be:

- Focus on solutions for technology disruptions in the sector
- Continued leverage of solid base in research and development and engineering
- Participation in nation building programs for grid reliability

BOARD OF DIRECTORS*

Sr. No	Name	Designation	Experience including current and past positions
1	Sanjeev Sharma	Director	Sanjeev Sharma is the Managing Director of INABB and the Chairman and Managing Director of ABB Global Industries and Services Private Limited. He has managed various local business units and divisions in India, Switzerland, Germany and Malaysia.
2	T.K. Sridhar	Director	T.K. Sridhar is the Chief Financial Officer of INABB and has held various financial functions across various businesses of INABB. He had played key role in de-risking large projects and optimizing operations, including deployment of information services for supply chain management.
3	B. Gururaj	Director	B. Gururaj is the General Counsel and Head of Legal and Integrity and Company Secretary of INABB. He has worked as Company Secretary of listed companies and has approximately three decades of experience in legal and corporate matters.

***Note:** The Board of Directors of the Company will be reconstituted in compliance with the provisions of Companies Act, 2013, as amended, applicable to listed companies and in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, prior to filing of the application for final listing and trading approvals by the Company with the Stock Exchanges for listing of the Equity Shares.

OBJECTS/RATIONALE OF THE SCHEME

The rationale for the Scheme is to inter-alia realign INABB's business to focus, simplify and lead in digital industries for enhanced customer value and shareholder returns which includes the separation of INABB's portfolio of digital industries from its traditional, long gestation, projects led, business of power grids. For further details, please refer to the Scheme.

Details of means of finance - Not applicable as the Company is not raising any funds through the proposed issue of Equity Shares pursuant to the Scheme.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any of the Company in the preceding 10 years – Not applicable

Name of monitoring agency, if any – Not applicable

Terms of Issuance of Convertible Securities, if any – Not applicable

SHAREHOLDING PATTERN

1. SHAREHOLDING AS ON DATE OF THIS ABRIDGED PROSPECTUS

Sr. No.	Particulars	Pre-issue Equity Shares (face value of Rs.2 each)	Percentage holding of pre-issue (%)
A.	**Promoter and Promoter Group**		
	ABB India Limited*	50,000	100
	ABB Asea Brown Boveri Ltd	Nil	Nil
B.	**Public Shareholding**	Nil	Nil
	Total (A) + (B)	**50,000**	**100**

*Six Equity Shares are held by nominees on behalf of ABB India Limited.

2. SHAREHOLDING UPON EFFECTIVENESS OF THE SCHEME:

Sr. No.	Particulars	No. of equity shares (Post-Scheme) (face value of Rs.2 each)	Percentage holding of post issue (%)
A.	**Promoter and Promoter Group**		
	ABB India Limited**	Nil	Nil
	ABB Asea Brown Boveri Ltd	31,786,256	75
B.	**Public Shareholding**	10,595,419	25
	Total (A+B)	**42,381,675**	**100**

**Upon effectiveness of the Scheme, the Equity Shares held by ABB India Limited in the Company shall stand cancelled.

Number/amount of equity shares proposed to be sold by selling shareholders, if any – Not applicable

UNAUDITED FINANCIALS FOR THE PERIOD FROM INCEPTION TO MARCH 31, 2019

A. Standalone Financial Statements

(Amounts in Rs.)

Sr. No.	Particulars	From inception to March 31, 2019
1	Total income from operations (net)	Nil
2	Net Profit/(Loss) before tax and extraordinary items	Nil
3	Net Profit/(Loss) after tax and extraordinary Items	Nil
4	Equity Share Capital	100,000
5	Reserves and surplus	Nil
6	Net worth	100,000
7	Basic earnings per share (Rs.)	Nil
8	Diluted earnings per share (Rs.)	Nil
9	Return on net worth (%)	Nil
10	Net asset value per share (In Rs.)	Nil

Pursuant to Section 96 of the Companies Act, 2013, the Company being a newly incorporated Company, has time until December 31, 2020 to hold its first annual general meeting where the first financial statements of the Company shall be placed. Accordingly, the Company has not prepared audited financial statements for the period between February 19, 2019 till March 31, 2019.

The PG Business being demerged into the Company is part of the financial statements of INABB and is reported separately. The reported financial statements of INABB is available on the website of the BSE Limited and National Stock Exchange of India Limited and on the website of INABB respectively.

Further, the Company does not have any subsidiaries for consolidation purposes.

INTERNAL RISK FACTORS

1. **The Company is newly incorporated and does not possess experience in operating the PG Business post-effectiveness of the Scheme.**

   The Company is a newly incorporated company and it does not have any experience in operating the PG Business. While post-effectiveness of the Scheme, experienced personnel in the PG Business will be transferred to the Company, the company may be unable to effectively integrate the PG Business, and efficiently operate the business of the Company, thereby adversely impacting the results of the Company's operations and profitability of the business. Additionally, upon completion of the Scheme, INABB will be required to effect transfer of, inter alia, properties, approvals, employees and intellectual property of the PG Business to our Company. Any inability to effect such transfers in a timely manner may materially impact the ability of the Company to commence and undertake business operations, in compliance with applicable laws.

2. **There is no guarantee that the necessary approvals and sanctions for completion of the Scheme will be received in time.**

   The completion of the Scheme is subject to receipt of various approvals, including from shareholders and creditors of INABB and the Company, regulatory authorities and the NCLT. In the event that these approvals are not received, INABB may be unable to effect the transfer of the PG Business to the Company, which will result in the Company's inability to commence business operations as envisaged.

3. **The audited financial position of the Company would be available only after the completion of the first annual general meeting of the Company, post-effectiveness of the Scheme.**

   Pursuant to the Scheme, both assets and liabilities of the PG Business of INABB shall be transferred to the Company. However, the audited financials of the Company shall be available to investors only after the first annual general meeting, post-effectiveness of the Scheme. Accordingly, during the interim period, investment decisions in relation to the Company shall have to be based on interim unaudited financial statements or previous financial information of the PG business being demerged from INABB.

4. **There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all. Further, once listed, there is no guarantee that there will be a liquid market for the Equity Shares.**

   In accordance with Indian law, permission for listing and trading of Equity Shares will not be granted until after certain actions have been completed in relation to the issue and until the allotment of the Equity Shares pursuant to the Scheme. The Company cannot assure you that it will be able to list the Equity Shares. Further, there is no public market for the Equity Shares prior to the allotment and an active public market for the Equity Shares may not develop or sustain after the alltment of Equity Shares. Listing of the Equity Shares does not guarantee that a trading market for the Equity Shares will develop. Accordingly, prospective shareholders should be prepared to hold their Equity Shares for an indefinite period of time.

5. **Changes in government policies and other macro-economic factors can adversely impact the Company's business.**

   Changes in the government policies and other macro-economic factors including a slowdown in government investments in the power sector, any significant reductions in incentives for renewable energy expansion in India, poor financial health of the transmission and distribution sector and State Electricity Boards, unfavorable terms and conditions of government contracts, as revised from time to time etc. can impact the Company's business and operations.

6. **The power grids industry is intensely competitive and post-effectiveness of the Scheme, our inability to compete effectively may adversely affect the PG Business, results of operations and financial condition.**

   The power grids business is highly competitive. Post-effectiveness of the Scheme, our competitors in the power grids business may succeed in developing products/services that are more effective, popular or cheaper than the Company's, which may render the Company's products uncompetitive and adversely affect our business, results of operations and financial condition of the Company.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

As on the date of this Abridged Prospectus, the Company does not have any outstanding litigations, claims and regulatory actions. However, upon the Scheme becoming effective, the outstanding litigations in relation to the PG Business of INABB shall be transferred to the Company.

Total number of outstanding litigations against the PG Business proposed to be transferred to the Company and amount involved:

Post Effectiveness of the Scheme, outstanding litigations involving the PG Business of INABB shall stand transferred to the Company. The PG Business of INABB has 24 outstanding proceedings. The total amount in all the proceedings, wherever quantifiable is approximately Rs. 825.35 million.

A. Brief details of top material outstanding litigations against the Company and amount involved:

The top material* litigation(s) against the PG Business of INABB, which shall stand transferred to the Company are as disclosed below.

*Outstanding civil litigations involving the PG Business for which the monetary claim is in excess of 1% of the total net worth of INABB (i.e. claims in excess of Rs. 393.86 million) have been considered 'material' for the purpose of disclosure in this Abridged Prospectus. The networth of INABB as on December 31, 2018 was Rs. 39,386.50 million.

Further, there are no criminal cases involving the PG Business, and other than as disclosed below, there are no regulatory proceedings involving the PG Business.

Sr. No.	Particulars	Opposite Party	Current Status	Amount Involved (In Rs. million)
1	INABB had initiated arbitration proceedings against the Telangana State Central Power Distribution Corporation Limited **("TSCPDCL")** for recovery of dues under a contract in relation to the 'Andhra Pradesh Energy Efficiency Project – Hyderabad Integrated SCADA Project'. The arbitral tribunal pursuant to its award dated December 30, 2015 **("Award")** partially allowed the claim of INABB and rejected the counter claim of TSCPDCL. Aggrieved by the Award rejecting its counter claim, TSCPDCL filed an application bearing no. OP 66 of 2016 under Section 34 of the Arbitration and Conciliation Act, 1996 before the City Civil Court, Hyderabad challenging the Award. The matter is currently pending.	Telangana State Central Power Distribution Corporation Limited	This case is pending.	472.49
2	In a regulatory matter involving the National Thermal Power Corporation **("NTPC")**, the Tahsildar South, Solapur, Maharashtra levied a penalty of Rs.58.18 million by order dated July 3, 2015 on INABB for alleged violation of Section 48 (7) of the Maharashtra Land Revenue Code, 1966, Sections 19 and 21 of the Mine and Mineral Act, 1955 and Section 379 of Indian Penal Code, 1860 in relation to alleged illegal excavation, transportation and usage of minor minerals without prior permission of the Government, alleged non-payment of royalty prescribed by the Government and alleged stealing of Government property. An appeal was preferred before the Sub-Divisional Officer challenging the order dated July 3, 2015. The appeal of INABB was dismissed and the amount towards penalty was increased to Rs. 177.45 million on account of miscalculation of the penalty calculated by the Tahsildar. Aggrieved, INABB has preferred Revision before the Divisional Commissioner, Pune challenging the order dated July 3, 2015 and order dated January 16, 2016.	1. State of Maharashtra through Department Secretary, Revenue and Forest Department; 2. Collector, Solapur; 3. Sub-divisional officer, Solapur; and 4. Tahsildar, Solapur	This case is pending.	177.45

B. Regulatory Action, if any, including any disciplinary action taken by SEBI or Exchanges against the promoters/ group companies in last 5 financial years including outstanding action, if any

No regulatory proceedings other than as disclosed above.

C. Brief details of outstanding criminal proceedings against Promoters:

Nil

ANY OTHER IMPORTANT INFORMATION AS PER MERCHANT BANKER/COMPANY

Please note that the Company has been newly incorporated and has not commenced business operations as on the date of this Abridged Prospectus. The proposed business operations of the Company, post-effectiveness of the Scheme shall comprise of the PG Business to be demerged from INABB. For details in relation to the PG Business shareholders should refer to the Scheme available on the websites of the BSE Limited and the National Stock Exchange of India Limited and financial statements, investor presentations and corporate disclosures issued by INABB, which are available at https://new.abb.com/indian-subcontinent/investors.

This Abridged Prospectus does not include the complete information of the Company, including its business, operations, assets and liabilities. Nothing in this Abridged Prospectus constitutes an offer or an invitation by or on behalf of either the Company or INABB to subscribe for or purchase any of the securities of the Company.

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/ regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further clarify that all statements in this Abridged Prospectus are true and correct.

Place: Bengaluru

Date: 3rd July, 2019

Annexure XII

FORM NO. GNL-1

[Pursuant to rule 12(2) of the Companies (Registration offices and Fees) Rules,2014]

सत्यमेव जयते

Form for filing an application with Registrar of Companies

Form language (•) English ( ) Hindi

Note - All fields marked in * are to be mandatorily filled.

1. * Category of applicant: Company

2. * Name of office of the registrar of Companies (RoC) to which application is being made: Registrar of Companies, Karnataka

3. (a) Corporate identity number (CIN) or foreign company registration number (FCRN) of the company or RUN reference number (Service request number (SRN) of RUN): L32202KA1949PLC032923 [Pre-fill]

   (b) Global location number (GLN) of company:

4. (a) Name of the company: ABB INDIA LIMITED

   (b) Address of the registered office or of the principal place of business in India of the Company: 21ST FLOOR, WORLD TRADE CENTER,BRIGADE GATEWAY, NO.26/1, DR. RAJKUMAR ROAD, MALLESHWARAM WEST. BENGALURU Bangalore Karnataka 560055

   (c) e-mail ID of the company: b.gururaj@in.abb.com

5. Details of applicant (in case category is others)

   (a) Name:

   (b) Address Line I:

   Line II:

   (c) City:

   (d) State:

   (e) ISO country code:

   (f) Country:

   (g) Pin code:

   (h) e-mail ID:

6. * Application filed for

   ( ) Compounding of offences
   ( ) Extension of period of annual general meeting by three months
   (•) Scheme of arrangement, amalgamation
   ( ) Others

7. If Others, then specify:

8. *Details of application

Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors.

9. In case of application for compounding of offences, provide the following details

(a) Whether application for compounding offence is filed in respect of

☐ Company ☐ Director ☐ Manager or Secretary or CEO or CFO ☐ Other

(b) Number of person(s) for whom the application is being filed

(c) Details of person(s) for whom the application is being filed

(i) Category | Director identification number (DIN) or income-tax permanent account number (income-tax PAN) or passport number | Pre-fill
Name

(ii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(iii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(iv) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(v) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(vi) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(vii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(viii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(d) Whether application is being filed

◯ Suo-motu ◯ In pursuance to notice received from RoC or any other competent authority

(e) Notice number and date of notice

(f) Section for which application is being filed

(g) Brief particulars as to how the default has been made good

10. In case of application is made for extension of period of an AGM, mention financial year end date in respect of which the application is being filed (DD/MM/YYYY)

11.(a) Service request number of Form MGT-14

(b) Date of passing special or ordinary resolution (DD/MM/YYYY)

(c) Date of filing form MGT-14 (DD/MM/YYYY)

12. Total amount of stamp duty paid or stamp paper

Attachments

List of attachments

1. Board Resolution	Attach	Extract from Minutes- Demerger.pdf INABB Scheme of Arrangement.pdf NCLT Petition.pdf INABB-Aknowledgement from ROC for NCLT Appli
2. Scheme of arrangement, amalgamation	Attach	
3. *Detailed application	Attach	
4. Copy of notice received from RoC or any other competent authority	Attach	
5. Other attachments - if any	Attach	

Remove Attachment

Verification

To the best of my knowledge and belief, the information given in this application and its attachments is correct and complete.

☒ I have been authorised by the Board of directors' resolution number 1 dated 05/03/2019 (DD/MM/YYYY) to sign and submit this application.

☐ I am duly authorised to sign and submit this form.

To be Digitally signed by

Managing Director or director or manager or secretary or CEO or CFO (in case of an Indian company or an authorised representative (in case of a foreign company) or other)

GURURAJ BHUJANG ARAO

Designation: Company Secretary

DIN of the director or Managing Director or; income-tax PAN of the manager or authorised representative; or CEO or CFO Membership number: 2631

Certificate by practicing professional

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/ applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:

i. The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order ;

ii. All the required attachments have been completely and legibly attached to this form

To be digitally signed by

KUNJITHA PADHAM JAYACHANDRAN

◯ Chartered accountant (in whole-time practice) or ◯ Cost accountant (in whole-time practice) or

◉ Company secretary (in whole-time practice)

Whether associate or fellow ◉ Associate ◯ Fellow

Membership number: 11309

Certificate of practice number: 4031

Note: Attention is also drawn to provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively

Modify | Check Form | Prescrutiny | Submit

For office use only:

eForm Service request number (SRN) _____ eForm filing date _____ (DD/MM/YYYY)

Digital signature of the authorising officer

This e-Form is hereby approved ☐

This e-Form is hereby rejected ☐

Confirm submission

Date of signing _____ (DD/MM/YYYY)

MINISTRY OF CORPORATE AFFAIRS

ACKNOWLEDGEMENT

SRN : H69016350 **Service Request Date :** 26/06/2019

Received From :

Name : JAYACHANDRAN K

Address : FLAT S-3, DOWNHILL APARTMENTS
8/8, 13TH CROSS, 8TH MAIN MALLESWARAM
BANGALORE, Karnataka
India - 560003

Entity on whose behalf money is paid

CIN: L32202KA1949PLC032923

Name : ABB INDIA LIMITED

Address : 21ST FLOOR, WORLD TRADE CENTER,BRIGADE GATEWAY,
NO.26/1, DR. RAJKUMAR ROAD, MALLESHWARAM WEST.
BENGALURU, Karnataka
India - 560055

Full Particulars of Remittance

Service Type: eFiling

Service Description
Fee For Form GNL-1

Note: The defects or incompleteness in any respect in this eForm as noticed shall be placed on the Ministry's website (www.mca.gov.in). In case the eForm is marked as RSUB or PUCL, please resubmit the eForm or file Form GNL-4(Addendum), respectively. Please track the status of your transaction at all times till it is finally disposed off. (Please refer Rule 10 of the Companies (Registration offices and Fees) Rules, 2014) It is compulsory to file Form GNL-4 (Addendum) electronically within the due date whenever the document is put under PUCL, failing which the system will treat the document as invalid and will not be taken on record in accordance with Rule 10(4) of the Companies (Registration offices and Fees) Rules, 2014

FORM NO. GNL-1

[Pursuant to rule 12(2) of the Companies (Registration offices and Fees) Rules,2014]

सत्यमेव जयते

Form for filing an application with Registrar of Companies

Form language (•) English ( ) Hindi

Note - All fields marked in * are to be mandatorily filled.

1. * Category of applicant: Company

2. * Name of office of the registrar of Companies (RoC) to which application is being made: Registrar of Companies, Karnataka

3. (a) Corporate identity number (CIN) or foreign company registration number (FCRN) of the company or **RUN** reference number (Service request number (SRN) of **RUN**): U31904KA2019PLC121597 [Pre-fill]

   (b) Global location number (GLN) of company:

4. (a) Name of the company: ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

   (b) Address of the registered office or of the principal place of business in India of the Company:
   21st Floor,World Trade Center
   Brigade Gateway,No.26/1,Dr.Rajkumar Road
   MALLESHWARAM, BENGALURU
   Bangalore
   Karnataka
   560055

   (c) e-mail ID of the company: karthikeyan.ea@in.abb.com

5. Details of applicant (in case category is others)

   (a) Name:
   (b) Address Line I:
   Line II:
   (c) City:
   (d) State:
   (e) ISO country code:
   (f) Country:
   (g) Pin code:
   (h) e-mail ID:

6. * Application filed for

   ( ) Compounding of offences
   ( ) Extension of period of annual general meeting by three months
   (•) Scheme of arrangement, amalgamation
   ( ) Others

7. If Others, then specify:

8. *Details of application

Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors.

9. In case of application for compounding of offences, provide the following details

(a) Whether application for compounding offence is filed in respect of

☐ Company ☐ Director ☐ Manager or Secretary or CEO or CFO ☐ Other

(b) Number of person(s) for whom the application is being filed

(c) Details of person(s) for whom the application is being filed

(i) Category | Director identification number (DIN) or income-tax permanent account number (income-tax PAN) or passport number | Pre-fill
Name

(ii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(iii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(iv) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(v) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(vi) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(vii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(viii) Category | DIN or income-tax PAN or passport number | Pre-fill
Name

(d) Whether application is being filed

◯ Suo-motu ◯ In pursuance to notice received from RoC or any other competent authority

(e) Notice number and date of notice

(f) Section for which application is being filed

(g) Brief particulars as to how the default has been made good

10. In case of application is made for extension of period of an AGM, mention financial year end date in respect of which the application is being filed (DD/MM/YYYY)

11.(a) Service request number of Form MGT-14

(b) Date of passing special or ordinary resolution (DD/MM/YYYY)

(c) Date of filing form MGT-14 (DD/MM/YYYY)

12. Total amount of stamp duty paid or stamp paper

Attachments

List of attachments

1. Board Resolution — Attach
2. Scheme of arrangement, amalgamation — Attach
3. * Detailed application — Attach
4. Copy of notice received from RoC or any other competent authority — Attach
5. Other attachments - if any — Attach

Scheme of Arrangement.pdf
NCLT Petition.pdf
APPSIL-Aknowledgement from ROC for NCLT App
Board Resolution_APPSIL.pdf

Remove Attachment

Verification

To the best of my knowledge and belief, the information given in this application and its attachments is correct and complete.

☒ I have been authorised by the Board of directors' resolution number 1 dated 05/03/2019 (DD/MM/YYYY) to sign and submit this application.

☐ I am duly authorised to sign and submit this form.

To be Digitally signed by

Managing Director or director or manager or secretary or CEO or CFO (in case of an Indian company or an authorised representative (in case of a foreign company) or other)

TYAGAVALLI KRISHNASWAMY SRIDHAR Digitally signed by TYAGAVALLI KRISHNASWAMY SRIDHAR Date: 2019.06.26 17:31:10 +05'30'

Designation: Director

DIN of the director or Managing Director or; income-tax PAN of the manager or authorised representative; or CEO or CFO Membership number: 06960804

Certificate by practicing professional

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/ applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:

i. The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order ;

ii. All the required attachments have been completely and legibly attached to this form

To be digitally signed by

KUNJITHA PADHAM JAYACHANDRAN Digitally signed by KUNJITHAPADHAM JAYACHANDRAN Date: 2019.06.26 19:49:34 +05'30'

◯ Chartered accountant (in whole-time practice) or ◯ Cost accountant (in whole-time practice) or

◉ Company secretary (in whole-time practice)

Whether associate or fellow ◉ Associate ◯ Fellow

Membership number: 11309

Certificate of practice number: 4031

Note: Attention is also drawn to provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively

Modify | Check Form | Prescrutiny | Submit

For office use only:

eForm Service request number (SRN) _____ eForm filing date _____ (DD/MM/YYYY)

Digital signature of the authorising officer

This e-Form is hereby approved ☐

This e-Form is hereby rejected ☐

Confirm submission

Date of signing _____ (DD/MM/YYYY)

MINISTRY OF CORPORATE AFFAIRS

ACKNOWLEDGEMENT

SRN : H69020055 **Service Request Date :** 26/06/2019

Received From :

Name : JAYACHANDRAN K

Address : FLAT S-3, DOWNHILL APARTMENTS
8/8, 13TH CROSS, 8TH MAIN MALLESWARAM
BANGALORE, Karnataka
India - 560003

Entity on whose behalf money is paid

CIN: U31904KA2019PLC121597

Name : ABB POWER PRODUCTS AND SYSTEMS INDIA LIMITED

Address : 21st Floor,World Trade Center
Brigade Gateway,No.26/1,Dr.Rajkumar Road
MALLESHWARAM, BENGALURU, Karnataka
India - 560055

Full Particulars of Remittance

Service Type: eFiling

Service Description
Fee For Form GNL-1

Note: The defects or incompleteness in any respect in this eForm as noticed shall be placed on the Ministry's website (www.mca.gov.in). In case the eForm is marked as RSUB or PUCL, please resubmit the eForm or file Form GNL-4(Addendum), respectively. Please track the status of your transaction at all times till it is finally disposed off. (Please refer Rule 10 of the Companies (Registration offices and Fees) Rules, 2014) It is compulsory to file Form GNL-4 (Addendum) electronically within the due date whenever the document is put under PUCL, failing which the system will treat the document as invalid and will not be taken on record in accordance with Rule 10(4) of the Companies (Registration offices and Fees) Rules, 2014

ABB India Limited

CIN: L32202KA1949PLC032923
Registered Office: 21st Floor, World Trade Center, Brigade Gateway
No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka
Phone: +91 (80) 22949240, 22949150 - 54; **Fax:** +91 (80) 22949148
Website: www.abb.co.in **E-mail:** investor.helpdesk@in.abb.com

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENCH AT BENGALURU
CA (CAA) NO. 32/BB/2019

In the matter of the Companies Act, 2013; And in the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013; And in the matter of Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors;

ABB India Limited,
a Company incorporated under the Companies Act, 1913, and having its Registered Office at 21st Floor, World Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055]

...Applicant Company

UNSECURED CREDITORS FORM OF PROXY

[As per Form MGT -11 and pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Unsecured Creditor	
Registered Address	
Email ID	

I/We, being an unsecured creditor to the extent of Rs..... , of the above named Applicant Company, hereby appoint:

(1) Name: _____Address: _____

Email ID: _____Signature: _____Or failing him/her

(2) Name: _____Address: _____

Email ID: _____Signature: _____Or failing him/her

(3) Name: _____Address: _____

Email ID: _____Signature: _____

as my/our proxy, to act for me/us at the meeting of the Unsecured Creditors of the Applicant Company convened pursuant to the direction of the Bengaluru Bench of the National Company Law Tribunal to be held at "Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022, India, on Friday, August 9, 2019 at 2.00 pm. (IST) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between ABB India Limited and ABB Power Products and Systems India Limited and their respective shareholders and creditors (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the latter case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (*Strike out whatever is not applicable)

Signed this _____ day of _____ 2019

Affix Re.1/- revenue stamp

Signature of Unsecured Creditor : _____

Signature of Proxy holder(s): _____

(Signature across the Stamp)

Notes:

1. The form of proxy must be deposited at the registered office of ABB India Limited at 21st Floor, World Trade Center, Brigade Gateway, No. 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru - 560055, Karnataka, India, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.

2. All alterations made in the form of proxy should be initialed.

3. Please affix appropriate revenue stamp before putting signature.

4. In case of multiple proxies, the proxy later in time shall be accepted.

5. Proxy need not be a unsecured creditor of ABB India Limited.

6. No person shall be appointed as a proxy who is a minor.

7. The proxy of an unsecured creditor blind or incapable of writing, would be accepted if such unsecured creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the unsecured creditor before he attached his signature or mark.

8. The proxy of an unsecured creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the unsecured creditor in the language known to him and gives the unsecured creditor's name in English below the signature.

9. The Proxy Form shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

ABB India Limited

CIN: L32202KA1949PLC032923
Registered Office: 21st Floor, World Trade Center, Brigade Gateway
No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka
Phone: +91 (80) 22949240, 22949150 - 54; **Fax:** +91 (80) 22949148
Website: www.abb.co.in **E-mail:** investor.helpdesk@in.abb.com

UNSECURED CREDITORS

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL MEETING CONVENED PURSUANT TO THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH, OF THE UNSECURED CREDITORS ON FRIDAY, AUGUST 9, 2019 AT 2.00 P.M. (IST).

I/We hereby record my/our presence at the meeting of the Unsecured Creditors of ABB India Limited, the Applicant Company, convened pursuant to the order dated 27th day of June 2019 of the Bengaluru Bench of the NCLT at "Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru, 560022 India, on Friday, August 9, 2019 at 2.00 p.m. (IST).

Name and address of Unsecured Creditor

(IN BLOCK LETTERS) : _____

Signature : _____

Name of the Proxy/
/authorized representative*

(IN BLOCK LETTERS) : _____

Signature : _____

*(To be filled in by the Proxy/authorized representative in case he/she attends instead of the unsecured creditor)

Notes:

1. Unsecured Creditors attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall duly filled and signed.

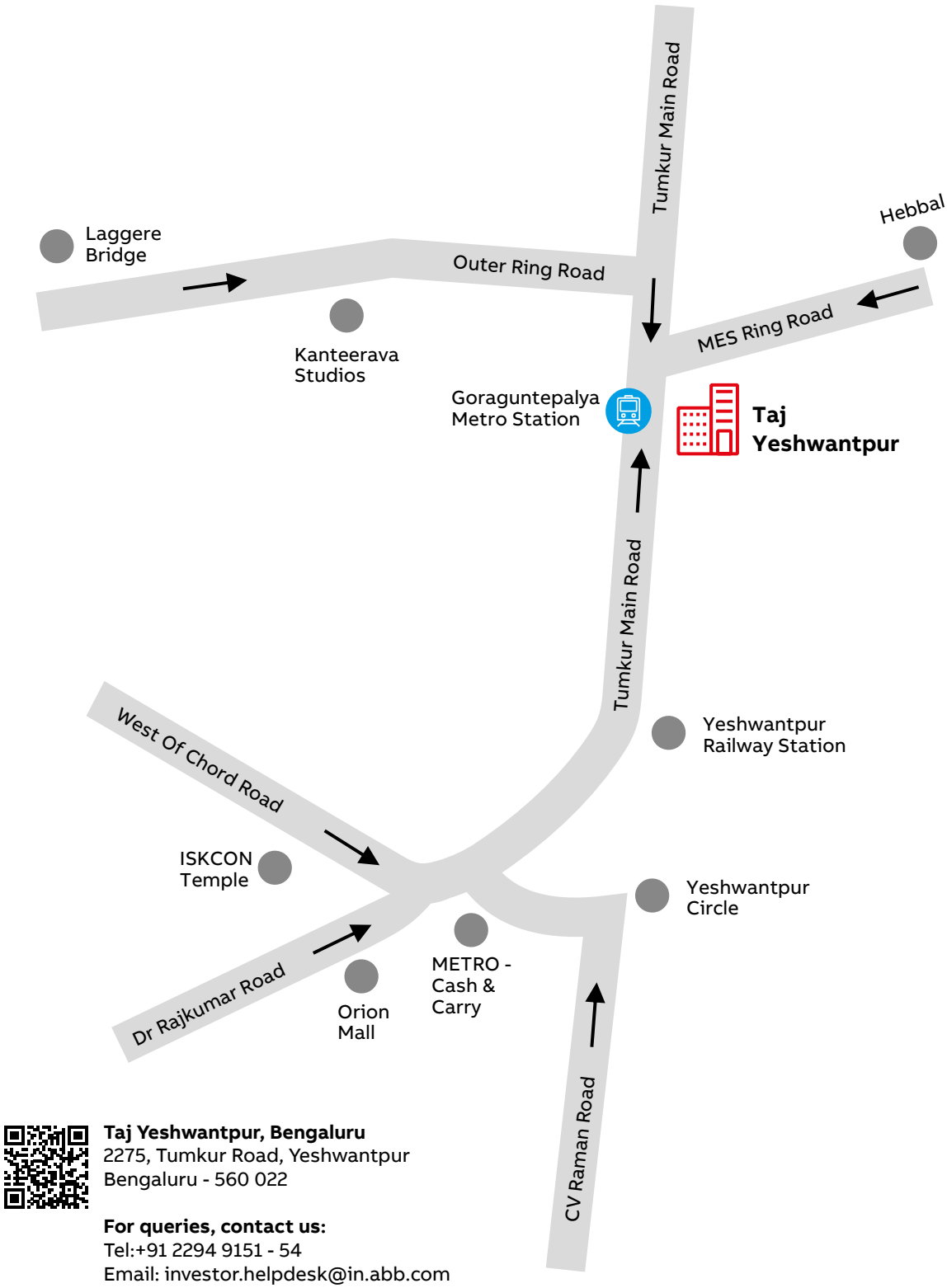
2. Unsecured Creditors who come to attend the meeting are requested to bring their copy of the Notice with them.

3. The authorized representative of a body corporate which is an unsecured creditor of the Applicant Company and any person voting by proxy is requested to bring (i) a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the said meeting, and (ii) valid proof of identity at the meeting.

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Route map to the venue of the Tribunal convened meeting

Venue: Taj Yeshwantpur, Bengaluru



Taj Yeshwantpur, Bengaluru
2275, Tumkur Road, Yeshwantpur
Bengaluru - 560 022

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