REF:INABB:AGM:2017:AGM SUMMARY: May 10, 2017

BSE Limited
P.J. Towers
Dalal Street
Mumbai 400 001
DCS – CRD

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

National Securities Depository Limited
Trade World, Kamala Mill Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 013

Central Depository Services (India) Limited
28th Floor, P.J.Towers
Dalal Street, Fort
Mumbai 400 001

Dear Sirs,

Sub: 67th Annual General Meeting – 09.05.2017 and voting results.
Ref: Scrip Code: **EQ:** 500002 / ABB and **DEB:** 952706
ISIN: **EQ:** INE117A01022 / **DEB:** INE117A08019
====

With regard to the above subject, please find enclosed the following:

(1) Summary of proceedings as required under Regulation 30, Part-A of Schedule -III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure – I**.
(2) Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as **Annexure – II**.
(3) Report of Scrutinizer dated May 10, 2017, Pursuant to the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014.
(4) Annual Report for the financial year 2016 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

Please take the above on record.

Thanking you

Yours faithfully
For ABB India Limited

B Gururaj
Deputy General Counsel &
Company Secretary
FCS 2631

Encl: as above

ABB INDIA LIMITED – ANNUAL REPORT 2016

Committed to unlocking value

ABB
the pioneering technology leader

What
Offering

Pioneering technology



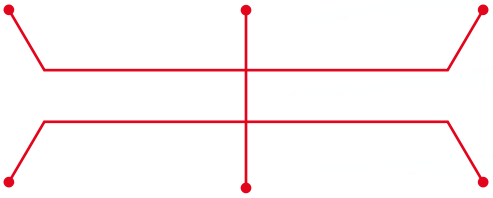
Products
63%



Projects
25%



Service
12%



For whom
Customers

Utilities



Of revenue
~37%

Industry

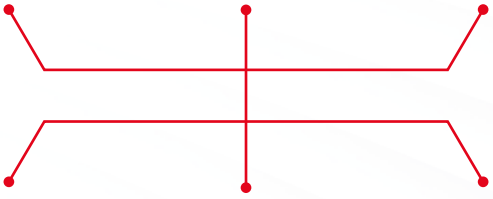


Of revenue
~52%

Transport & Infrastructure



Of revenue
~11%



Where
Footprint

India



40
factories



10
manufacturing locations



22
sales and marketing offices

Revenue
INR 8,648 crore

Exporting to
>100 countries

Employees
~6,000

ABB at a glance

Committed to unlocking value

ABB is a pioneering technology leader in electrification products, robotics and motion, industrial automation and power grids, serving customers in utilities, industry and transport & infrastructure globally. Continuing more than a 125-year history of innovation, ABB today is writing the future of industrial digitalization and driving the Energy and Fourth Industrial Revolutions.

abb.com/in

Annual Report 2016
Contents

006 – 007 **Highlights**

008 – 009 **Key achievements of 2016**

010 **Country Management Committee**

011 **Company Information**

012 – 086 **Statutory Reports** 01

088 – 130 **Financial Statements** 02

Highlights 2016

— **Technology leadership drives orders to cross ₹ 12,000 crore mark for the first time**

— **Operational excellence results in consistent profitability improvement**

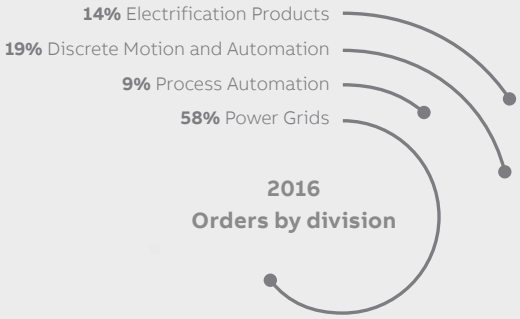
— **Strong cash position, significant improvement in net working capital levels**

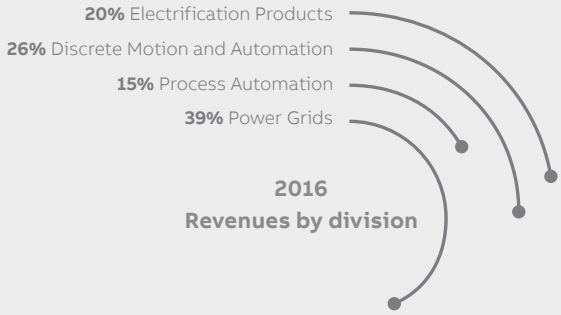
— **Board recommends dividend of ₹ 4 per share (200 percent) in the 47th consecutive dividend issue**

Five-year highlights

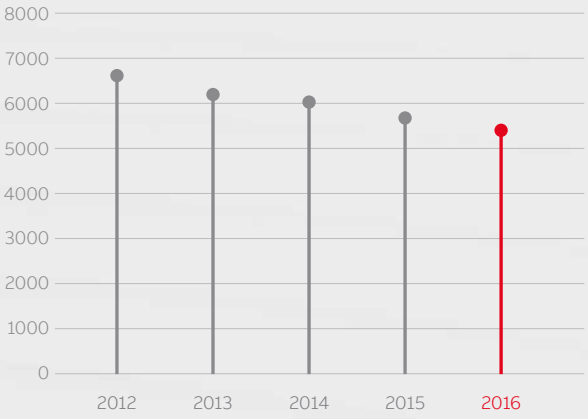
(₹ in Crores)

Description	2016	2015	2014	2013	2012
Sources of Funds					
Shares capital	**42**	42	42	42	42
Reserves	**3,240**	2,966	2,770	2,635	2,556
Net worth	**3,282**	3,008	2,812	2,677	2,598
Borrowings	**600**	600	371	620	328
Funds employed	**3,882**	3,608	3,183	3,297	2,926
Income and Profits					
Revenue from operations	**8,648**	8,140	7,733	7,722	7,565
Operating profit before Interest and depreciation	**774**	713	556	470	336
Profit before tax	**576**	475	355	272	206
Profit after tax	**376**	300	229	179	137
Dividend/Dividend tax	**102**	94	94	75	74
Retained earnings	**274**	206	135	102	64
Other data					
Gross fixed assets	**2,114**	2,071	2,004	1,910	1,703
Debt equity ratio	**0.19:1**	0.20:1	0.13:1	0.23:1	0.13:1
Net worth per equity share-₹	**155**	142	133	126	123
Earnings per equity share-₹	**18**	14	11	8	6
Dividend per equity share-₹	**4**	4	4	3	3
Profit after taxes as % to average net worth	**12**	10	8	7	5
Orders received	**12,466**	8,100	7,908	6,717	6,966
Orders backlog	**11,821**	7,946	7,926	7,709	8,673
Number of permanent employees	**5,603**	5,839	6,165	6,371	6,752

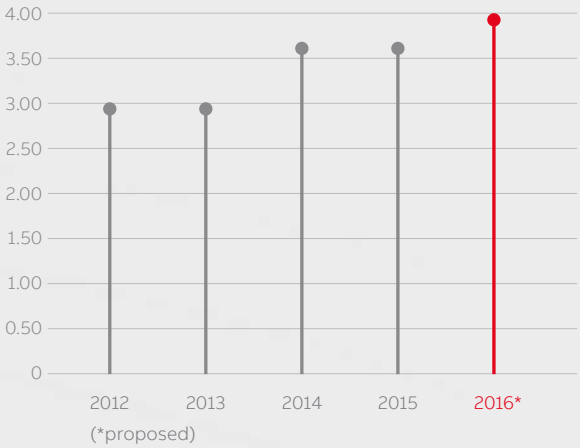




Number of employees



Dividend (₹ per share)



Key achievements of 2016

01

Powering and automating world's largest single location solar project

Commissioned substations with plant electrification and automation systems for the world's largest single location 648 MW solar power plant at Kamuthi in Tamil Nadu.

02

Integrating clean energy with reliable power infrastructure

Integrating wind energy with one of the longest 1,800 km ultra high voltage direct current link from Raigarh to Pugalur to bring power to 80 million Indians.

03

Modernizing Indian Railways

Awarded a contract to supply 1,600 traction transformers for 800 new electric freight locomotives, supporting expansion in railways.

04

Restoring and modernizing crucial power infrastructure in record time

Restored Sharavathi hydroelectric plant to full working capacity post fire within 10 days and commissioned an integrated plant SCADA and automation solution in record time.

05

Enhancing industrial productivity and Make in India

Commissioned largest industrial drive in India for an oil and gas application, reducing energy consumption by up to 30%.

06

Improving civic infrastructure

Won an order to upgrade the SCADA, automation, control and instrumentation to ensure 24x7 water supply to Mysuru.





07

Partnering India's solar vision

Doubled solar inverter manufacturing capacity during the year, powering the country's national solar priorities.

08

Reducing carbon footprint at ports

Installed India's first shore-to-ship solution to reduce emissions at Tuticorin port.





09

Driving the Energy Revolution

Engaged with leading transmission utilities for digital asset management technology.

10

Industry-academia collaboration with UAY scheme

Partnerships with IIT Madras for multi village microgrid modelling and with NITTTR for India's first multi-physics simulation lab to further make in India for power equipment.

11

Continuing focus on safe work culture

Total number of Safety Observation Tours and hazard reporting up by 35% and 14% respectively from 2015 at ABB locations and customer sites.

12

Improving quality of education

ABB India sponsored mid-day meals for 10,000 children daily across identified schools in Gujarat and Karnataka to address malnourishment and encourage attendance.

Country Management Committee

From left to right
Peter Stierli Head, Communications
Raja Radhakrishnan Head, Human Resources
Ralph Schultheiss Head, Legal and Integrity
T. K. Sridhar Chief Financial Officer
Sanjeev Sharma Managing Director
Subir K Pal Division Manager, Robotics and Motion
Pitamber Shivnani Division Manager, Power Grids
Karthik Krishnamurthi Head, Country Sales & Marketing
C. P. Vyas Division Manager, Electrification Products
GNV Subba Rao Head, India Centre for Global R&D
Giandomenico Testi Chief Technology Officer
Madhav Vemuri Division Manager, Industrial Automation and Country Service Manager



Company Information

Board of Directors
Frank Duggan Chairman
Sanjeev Sharma Managing Director
Nasser Munjee
Darius E. Udwadia
Renu Sud Karnad
Tarak Mehta

Audit Committee
Nasser Munjee Chairman
Darius E. Udwadia Member
Renu Sud Karnad Member
Tarak Mehta Member

Stakeholders Relationship Committee
Darius E. Udwadia Chairman
Renu Sud Karnad Member
Sanjeev Sharma Member

Nomination and Remuneration Committee
Nasser Munjee Chairman
Renu Sud Karnad Member
Frank Duggan Member

Corporate Social Responsibility Committee
Renu Sud Karnad Chairperson
Sanjeev Sharma Member
Tarak Mehta Member

Risk Management Committee
Nasser Munjee Chairman
Frank Duggan Member
Sanjeev Sharma Member
T. K. Sridhar Member
Pitamber Shivnani Member

Auditors
Messrs S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
"UB City", Canberra Block
12th Floor, No.24
Vittal Mallya Road
Bengaluru – 560 001

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

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

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

Company Secretary and Compliance Officer
B. Gururaj

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

Registrar and Share Transfer Agents
Karvy Computershare Private Limited
No. 51/2, T.K.N. Complex
Vanivilas Road, Opp. National College
Basavanagudi
Bengaluru – 560 004

Debenture Trustees
IDBI Trusteeship Services Limited
Asian Building, Ground Floor
No. 17, R Kamani Marg
Ballard Estate, Fort
Mumbai - 400 001

Bankers
AXIS Bank Limited
Bank of America, N.A.
Bank of Bhutan Limited
Bank of India
Canara Bank
Deutsche Bank AG
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
JP Morgan Chase Bank, N.A.
Standard Chartered Bank
State Bank of India
The Bank of Tokyo-Mitsubishi UFJ, Limited
The Hongkong and Shanghai Banking Corporation Limited
UCO Bank
Union Bank of India
YES Bank Limited

Corporate Identity Number
L32202KA1949PLC032923

01
Statutory Reports

016 – 032 **Business Responsibility Report**

033 – 041 **Notice to the Members**

042 – 046 **Directors' Report**

047 – 085 **Management's Discussions and Analysis and other Annexures to the Directors' Report**

086 **MD / CFO Certificate**



APALA RAY, CORPORATE RESEARCH, ABB ABILITY INNOVATION CENTER, BENGALURU

My team is faced with new technological challenges every day. Through innovation and digitalization, we create future-ready solutions to address them.



Business Responsibility Report 2016

Overview of sustainability at ABB India Limited

The Company is committed to sustainability with continuous improvements towards economic success, environmental stewardship and social progress. The Company maintains high social, environmental, human rights, ethical and governance standards for the benefit of all stakeholders. The Company's sustainability objectives covers all domains of operations with emphasis on energy and resource efficient products, systems and services, ways of lowering its own energy intensity and waste, occupational health safety, environment, and community development.

Sustainability considerations cover how the Company designs, manufactures, customer offerings, engagement with suppliers, assessment of risks and opportunities, and its engagement with communities where it operates and towards one another, while it strives to ensure health, safety, environmental safeguard and security of its employees, contractors and others affected by its activities. Corporate responsibility reflects the Company's values and behavior to its stakeholders.

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

The ABB Group and the Company has over 125 years of experience in power and automation technology and to develop a complete portfolio of services for the renewable energy industry which covers virtually any requirement, from individual components for a wind turbine installation through to the turnkey delivery of onshore or offshore grid connection schemes. It has emerged as a pioneering technology leader with focus and having significant contribution to energy and fourth industrial revolutions.

ABB aims for a culture of leadership at every level. The Company has always focused on sustainable business practices and to contribute towards world class sustainable solutions for a better world. The Company continues to hold a key position in the market in terms of designing and delivering frontier technology, infrastructure and sustainable solutions in various domains including the latest being sustainable mobility solutions. It's focus has been on areas of electrification of all consumption points, robotics, intelligent motion solutions, industrial automation and on stronger, smarter and greener power grids. Sustainability considerations are woven into every business decision and the Company takes a complete life cycle approach to considering sustainability aspects i.e. from R&D to design, manufacturing, and also in third party supplier qualifications.

It is a global leader in solar inverter technology, and has been powering solar projects across the country spanning the entire solar photovoltaic (PV) value chain, a key component of which has been the Company's solar inverter technology, made in the country. About 50% of India's solar energy generated passes through ABB equipment. The Company has supported and contributed to the Country Government's vision of focus and providing for clean energy. Out of the country's current installed solar capacity of ~8GW, utility scale projects would comprise 6.5 GW; to which the Company's inverters have been supplied. The Company has also supported the West Bengal government's initiative for solar electrification of schools by providing a cleaner and sustainable infrastructure for education. In the year, the Company also inaugurated a new solar inverter manufacturing facility in Bengaluru, India to cope with the doubling requirement of solar inverters and to provide for the surging focus on renewable based energy requirements in the country.

As a global leader in shore to ship solutions, and in line with the Government of India's 'Project Green Ports' project, the Company commissioned a state-of-the-art solution for shore-to-ship power supply at the Tuticorin Port which is a first of a kind installation at a commercial port in India. This solution expands the scope of the green agenda beyond renewable power to technology, which will enable ships docking at a port to plug for power instead of running on polluting diesel generators and using expensive power.

1. Group Social: http://new.abb.com/sustainability/social-policy
2. Group Human Rights Policy: http://new.abb.com/sustainability/human-rights-policy-and-statement
3. HSE Policy: http://new.abb.com/docs/librariesprovider19/default-document-library/hse-policy-poster_24-x-32-in_v5.pdf?sfvrsn=2
4. ABB India CSR Policy: http://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility

The Company is a forerunner in smart grids solutions which integrates renewable energy into the power supply system while optimizing the system's reliability, energy efficiency and capacity utilization. These solutions have systems for controllable generation and storage and assist in matching the fluctuating levels of renewable power generation. Using data networks in real time, smart grids can intelligently and automatically control these increasingly complex power systems. The ABB Group is a pioneer in micro grid technology with more than 30 global installations across a diverse range of applications serving remote communities, islanded grids, utility grid support and industrial campuses. This innovative micro grid solution has been now extended for community use by the Company so that it helps communities by providing stable and cost-effective continuity of power supply while minimizing environmental impact under the Company's Corporate Social Responsibility activities.

The Company's ambition is being a leading supplier of innovative, safe and resource-efficient products, systems and services that help customers increase productivity while lowering environmental impact. ABB Group level targets have been set to increase revenue from the energy-efficient portfolio by 20 percent from 2014 to 2020.

The Company recognizes the importance of wide-ranging stakeholder engagement to help it achieve best practices and sustainable benefit for all its stakeholders. The Company also strives for excellence in health and safety performance. The sustainability/ HSE team drives forward the Company's key sustainability aims. It works along with business division's sustainability members to embed sustainability aspects into all actions, to improve sustainability awareness, increase efficiency, helps create best practice to combat potential HSE risks and to improve performance across key sustainability performance indicators.

The Company also introduced an integrated approach to statutory compliance management including HSE compliance in the year, in order to avoid conflicts, wasteful overlaps, gaps and to adhere to timely compliances. The Company recognizes that moving beyond compliance and integrating environmental management and social considerations into its core business processes offers it significant benefits. A number of sustainability programs initiated by the Group and at the Country level have been rolled out, for example safety awareness, reporting, adhering to list of chemical usage, human rights awareness and communication, social development projects etc.

ABB Group has developed a series of business relevant sustainability objectives, in consultation with leaders in the business, countries and functions and external stakeholders. These objectives reflect ABB's ambition and show how it intends to contribute to a more sustainable world. As a part of this work, individual targets and key performance indicators are being developed and rolled out. Progress is reported in the annual Group Sustainability Report. In line with the ABB Group's sustainability strategy, the Company has set sustainability objectives and targets that are continuously monitored and along which action is taken.

Healthy and safe working environment

A strong culture of respect for workplace safety remained a top priority for the Company during the year. The Company has placed more emphasis on taking responsibility for the safety behavior of all and the focus was to embed a safety culture that puts safety first and its responsibility to all its employees and for those who work for the Company. The Company's vision led by its management was to review the effectiveness of existing systems, understand gaps and strengthen implementation of set procedures. This focus and renewed drive, led to the launch of several new innovative initiatives on effective implementation through digitization, on various aspects of safety at all of the Company's locations and activities. The Company also had multiple direct communications from the management in terms of safety priority and there were clear communication and directive from the management authorizing every employee to say "No" to any unsafe work.

The drive for safety was supported by bringing into force a comprehensive management approach to address safety through relentless monitoring, speed with elimination of hierarchy in matters of safety.

Some of the other key activities of the Company in the year have been promoting the 'Don't look the other way' campaign stressing on safety, new systems and processes for review of safety aspects and procedures at projects sites, factories offices, increased performance measurements, self-assessments, audits and increasing the number of hazard reporting and safety observation tours. There was close monitoring on safety performance by the country level safety steering committee comprising of top level management on a weekly basis.

Apart from its own employees, HSE practices are mandated to the Company's vendors and contractors as well. The Company has procedures to select contractors and service providers based on their competence and capability to undertake tasks in compliance with the Company's health and safety measures. As a guiding principle, the Company prefers and wants to do business with suppliers who have implemented health and safety management systems that comply with OHSAS 18001: 2007 standards. The Company's management team worked closely with HSE teams on ensuring ABB rules are firmly rooted in every individual associated with the Company be it an employee or contractor.

In addition, in terms of training and awareness, the Company is heavily focused on a culture change for safety. Apart from initiatives to increase hazard and near miss reporting, site observation tours to improve safety compliance in offices, factories and customers sites; safety related training and awareness sessions was a focus in the year of reporting.

The Company in 2016, clocked the highest number of hazards reporting compared to other ABB locations across the globe. A total of 81899 numbers of hazards were reported. There were continuous Safety Observation Tours (SOTs) by the management and reporting was further streamlined through a dedicated reporting and sharing repository. The total number of SOTs and hazard reporting increased by 35% and 14% respectively from the previous year. There has been significant surge in the SOTs by senior leadership in the year.

In the Company, during the year, out of total of 26.30 million contractor man-hours worked and 22.12 million employee man-hours worked, there were 2 fatalities, 3 serious injuries, 1 high potential incident, 7 lost time injuries, 38 medical treatment injuries and 594 first aid cases.[5]

In line with the ABB Group Safety campaign the Company observed the safety week across its facilities, offices and project sites from November 14 to 18, 2016. During this week, several activities around safety were planned and implemented such as special training and awareness sessions, announcement of the India HSE award, mock drills, various safety competitions, safety observation tours, awareness sessions on road safety, occupational health, and security. Key innovative and best practices were recognized and rewarded for in the India HSE award. Apart from this, the Company also observed the National Safety Day with the same vigor; where in varied safety awareness/ training activities were conducted across the Company.

Environmental compliance

The Company is compliant with all statutory requirements related to environment, and specific environment related challenges are addressed under direct supervision of plant heads. To ensure statutory compliance, periodic monitoring is carried out and necessary mitigation actions are undertaken. There were no pending show cause / legal notices from Central Pollution Control Board / State Pollution Control Board for the year. There were no monetary fines/ penalties for Environmental non compliances paid by the Company during the year.

A comprehensive HSE compliance training was conducted through an external trainer for all of the Company's factory managers.

All of the Company's facilities are certified compliant to ISO management systems namely ISO 14001:2004 and OHSAS 18001:2007.

Energy and climate

From bringing customers energy and resource-efficient solutions, to doing business in a more environmentally sound way, the Company has made significant and tangible progress in the past year. The ABB Group supported a number of pledges signed by world leaders at Climate Change Conference of Parties (COP)-21 in Paris, including a commitment to scale up renewable energy and help emerging economies transition their markets to energy efficient products. At COP-22, ABB demonstrated how this commitment translates into products and services that enable access to electricity and improve lives.

The Company has continued its efforts to mitigate climate change and lower environmental impact. In the year a total of 50,545 tCO_2 was generated from scope[6] 1 and 2 of the Company's operations. It had drastically reduced its diesel consumption last year and this year its focus was to reduce scope 2 emissions by sourcing green power and solar PV installations, the fruits of these efforts will be reaped in 2017.

The Company plans to have a fully integrated and standardized micro grid with rooftop photo voltaic at its largest facility in Vadodara, Gujarat to help it increase its renewable energy generation while reducing dependency on fossil fuel. The Company's grid electricity consumption in the year was 56493 MWh and 59.4 MWh from in-house solar installations.

The Company has also plans of reducing diesel consumption by establishing an on-site 66 kV substation at its facility in Mysuru which will ensure uninterrupted power supply. Conventional boilers at the Mysuru facility are being replaced by fuel efficient boilers to reduce its dependancy on fuel oil and increasing the use of eco-friendly agro fuels. Lighting retrofits continue to help the Company achieve considerable reductions in energy consumption across many of the Company's facilities.

5 Categories as defined by the Company
6 Categories of scope 1 and 2 as defined by the WBCSD GhG protocol

Water management

The ABB Group has developed an in-house water tool to map and analyze water flows at its manufacturing facilities in water-scarce and extremely water-scarce watersheds. Facilities have used this tool to review water flows, analyze water-related threats to their operations, and develop water action plans to minimize risks and leverage opportunities. The Company is working towards becoming responsible stewards of water. Although majority of the Company's manufacturing processes do not consume significant amounts of water, it is nonetheless committed to reducing its impact on local water resources.

The Company's efforts are towards reducing dependency on fresh water including water efficient technologies like water efficient fixtures to reduce consumption, arresting leakages and usage of recycling water for landscape and flushing. The treated water quality is monitored periodically to ensure compliance to applicable environmental legal requirements. The Company has zero liquid discharge Effluent Treatment Plants (ETPs). It continuously monitors its water consumption by installation of water meters for accurate measurements. The Company also ensures ground water recharge through infiltration wells to harvest rainwater. The Company's freshwater consumption in most of its facilities is predominantly for domestic purposes and hence do not significantly impact water resources. Water withdrawal in the Company's manufacturing facilities in the year was 0.68 million m^3 and recycles 25% of the water utilized in its facilities.

Waste management

The Company's other key focus area is waste management wherein generation to disposal approach is adopted. Reduction of wastes at the source is undertaken by means of process optimization and reuse strategy. The Company has reduced the use of wooden pallets. Reuse of packaging wastes like carton boxes, Electro Static Discharge (ESD) covers, corrugated boxes, wooden pallets etc. has ensured reduced procurement of packing material while ensuring reduction in packaging wastes. Printed Circuit Board Assembly (PCBA) and used oil are also reused within the facility. All wastes generated are segregated at source and stored in designated areas in the scrap yard before disposal to the relevant Pollution Control Board (PCB) authorized recyclers. The Company has taken stringent targets to reduce wastes sent to landfill and has increased the recyclability of wastes by responsible sourcing. Of the total wastes disposed, 54% is recycled.

The Company understands that it is important to minimize the environmental impact related to its own manufacturing and service activities, and the real challenge is in reducing the impact along the whole value chain which includes the impact from its products, from material selection through production, operation and end-of-life treatment. A majority of ABB´s products have very long operating lifetime, hence, high efficiency and low emissions during operation of the product are essential in reducing the total environmental impact.

ABB Group uses a process called the ABB Gate Model for product and technology development. Sustainability aspects are built into this model and includes a standardized Life Cycle Assessment (LCA) procedure. The ABB Group also develops Environmental Product Declarations (EPD) to communicate the environmental performance of core products over its entire life cycle. EPDs are based on detailed LCA studies conducted using the LCA model and declared according to international standard ISO/TR 14025. EPDs are available for over 70 ABB products such as power transformers, low voltage circuit breakers, gas insulated switchgears, current relays, etc.

Sustainability parameters are monitored and are also consolidated yearly for various reporting purposes. The ABB Group has launched an online global tool for data collection of sustainability parameters for all locations. The country sustainability controller reports on all key sustainability parameters on an annual basis across the Company's sustainability performance. The ABB Group prepares the Group Sustainability Report annually for public disclosure based on the Global Reporting Initiative (GRI) guidelines. The Company publishes the Business Responsibility Report every year as per SEBI's requirement and this is part of the Company's annual report.

Supply chain sustainability

As a responsible corporation, ABB extends its influence to ensure a responsible working environment to the ecosystem of direct and indirect stakeholders. This includes partners in the supply chain who share considerable footprint in the product value stream.

The ABB Supplier Code of Conduct is the core document on which the Company builds its efforts to source responsibly. The Supplier Code of Conduct[7] defines requirements for ABB suppliers and is integrated with the General Terms & Conditions. The Company considers its suppliers as business partners and demand that they conduct their business consistent with the standards and principles of the Company, complying with a number of sustainability performance indicators including HSE regulations, internationally proclaimed human rights standards and ensuring equality of opportunity; are expected as the minimum level of commitment.

As a part of the Company's continuous improvement, our ABB Supplier Code of Conduct was updated in 2016. The modifications more explicitly referenced zero tolerance to

issues like forced labor and risk of engaging victims of slavery and human trafficking. The key supplier requirements are:

- Suppliers should conduct their business in an ethical manner
- Suppliers should respect human rights, ensure fair labor conditions
- Suppliers should engage their supply chains to raise awareness about sustainability
- Suppliers must commit to occupational health and safety and environmental protection; conduct their business in a safe and an environmentally sensitive way
- Suppliers should not use banned or restricted substances in processes

The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The goal of the SSDP is to ensure compliance with the Supplier Code of Conduct, to support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain. Under the program, the Company trains suppliers and Company employees, and carries out supplier audits to identify areas of improvement in the following domain:

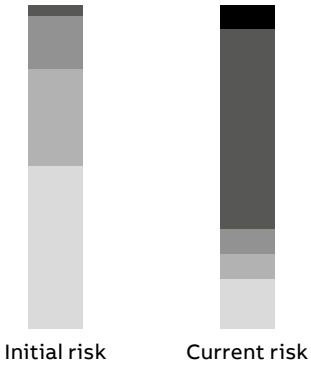
- General management
- Working hours
- Remuneration
- Social benefits
- Health and safety
- Environmental protection

In addition to regular trainings, the suppliers also have access to the ABB Supplier Sustainability Implementation Guide which provides practical advice on how to meet the requirements of the Supplier Code of Conduct. The Company also reviews the implementation of action plans by follow up audits. Suppliers were supported throughout the program for any kind of technical query.

In India in 2016, 126[8] suppliers have been trained on sustainability requirements and 54 of them were assessed for such requirements. In addition to this, safety & environment risk assessment workshops were conducted at three manufacturing locations for suppliers. 87 delegates from 53 suppliers attended this program. With these, the total number of suppliers trained under the program since 2009 stands at 542[9] (may include suppliers who have undergone repeat trainings) and the total number of suppliers assessed stands at 255[10]. During 2016, 44[11] employees were trained in the program and internal teams made over 124[12] visits to the suppliers to assess their systems.

This program helped the participating suppliers identify and mitigate risks and strengthen their systems. Through this program, the risk profiles of the selected suppliers have shown steady improvement, as depicted in the charts below (the charts represent the risk profiles of suppliers selected from 2009 to 2016, before and after corrective actions under the SSDP). At the end of 2016, 18[13] suppliers who did not show commitment to fulfill the requirements of the Supplier Code of Conduct were blocked. Business with these suppliers can only resume after they have demonstrated compliance with the ABB Supplier Code of Conduct.

In order to further strengthen its responsible sourcing strategies, the Company is revisiting its sourcing process and is adopting additional controls. ABB did a recertification program for its internal lead assessors, under which seven ABB employees renewed there certificates after an onsite evaluation. Having employees who can conduct and evaluate sustainability performance of the suppliers will further embed the sustainability practices in sourcing activities.



	Extremely high	High	Medium	Low	De-sourced
Initial risk	127	76	43	9	0
Current risk	39	20	20	158	18

Extremely high High Medium Low De-sourced

7 ABB supplier code of conduct
8 Trainings-Q4 IN SSDP KPI Report
9 Ibid
10 Supplier Assessments- Q4 IN SSDP KPI Report 2016
11 Trainings- Q4 IN SSDP KPI Report 2016
12 Ibid- summation of assessments & reassessments in 2016 (Q1-Q4: 54+30+25+15=124)
13 Ibid- summation of blocked suppliers

Stakeholder engagement

ABB has been making greater efforts in recent years to engage formally with different stakeholders on sustainability issues. It is a recognition that the Company's business success is closely tied to such exchanges, and the potential benefits of acting on the feedback we receive. ABB Group has produced a systematic approach to holding an effective sustainability stakeholder dialogue. The tool has been created to help record the details of the meeting, the main areas for discussion and potential follow-up measures.

The Company's key stakeholders are customers, investors, suppliers, representatives of civil society and employees. All stakeholders are increasingly asking the Company about different aspects of sustainability performance. This has helped the Company to understand their priorities as well as which areas of sustainability are material to its business success.

Stakeholder mapping and profiling has identified the following stakeholders for the Company:

Stakeholder group	Key identified stakeholders	Details of stakeholder interactions
Internal stakeholders	Permanent employees	Various employee welfare programs, ongoing wellness & engagement HSE and sustainability programs, and awareness cum training sessions, Internal communication
	Contract employees	
Business stakeholders	Customers	Various customer focused seminar / events and programs
	Suppliers	The SSDP and continuous ongoing interactions with vendors.
	Investors	Annual general body meeting, quarterly analyst call, one to one meetings (need basis), factory visits (on request)
	Distributors/Channel Partners	Providing services / selling of the Company's products or as a managed service provider
External Stakeholders	Regulators	Meetings and interactions for compliance requirements, permits etc.
	Trade bodies	Seminars, conferences and sharing good practices
	Peer companies	Through industry bodies, associations, seminars, exhibitions and events
	International organizations	Partnerships for R&D and CSR activities
	Local communities	Ongoing interactions for CSR activities with the communities
	Academia and scientific community	Ongoing R&D and educational partnerships, seminars, meetings, campus connect programs, CSR activities, one on one interactions.
	Media	Seminars, meetings, and one on one interactions for communication and branding
	NGOs and civil society organizations	Partnerships and interactions for implementation of CSR agenda
	Trade Unions	Right of all personnel to form and join trade unions of their choice and bargain collectively
	Consultants and certification bodies	External advisory, assurance, certification services on various management process and systems for performance improvements of the Company through separate projects and assignments.

Various stakeholder meets have been conducted by the Company in the year. Contractor safety meets are done on a continual basis to bring contactors and vendors in line with ABB's safety requirements and codes of practice.

There have been a series of partnerships with premium research institutes in the country for research and development on frontier areas such as power, automation, renewable energy etc. The Company also participated in the 'Switch India' event organized at Vadodara, and its portfolio – from smart sensor motors, digital substations and micro grids etc. showcased the digital future of power and automation. The Company had several interactions with various Government Ministries and departments such as Department of Heavy Industries, Ministry of Power, Ministry of New and Renewable Energy, National Skill Development Council etc., with a perspective on sustainability and to provide implementable sustainability solutions for the country. The Company is also an active member to key trade and industry associations in the country. Feedback and inputs received through stakeholder engagements are given due consideration and feasible good practices and recommendations are considered for integrating into the Company's business practices.

A total of 401 investor requests were received, all of which have been satisfactorily responded to during the year.

For employee participation and engagement, there are several ongoing initiatives. Also there were several management communications with emphasis on wellness & safety in daily work. Also for the senior management at the Company, the annual leadership meet was held to discuss on key topical issues of the Company.

Advocacy, aid and corporate responsibility bodies

The Company is a member of a number of industry associations namely:

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

As an active member of CII the Company participated in various forums on topics relevant to its business such as smart cities, sustainability, renewable energy etc. It also participated in a number of exhibitions organized by various other industry bodies

People well-being

The Company attracts top performers due to its inclusive culture. The people strategy is aligned with the Company's overall ambition to accelerate sustainable value creation. This required continuing to provide a stable work environment in an uncertain market and maximizing the potential of the Company's workforce. Through its evolving employee-friendly policies and processes, the Company's Human Resources encouraged and demonstrated dynamism and openness to change. The Company has made strategic decisions in key Human Resources areas that has enabled growth in the Company and resulted in a performance-driven year.

During the year, the Company has consistently set a clear path to learn and adapt to perform better in the volatile market situation with its enhanced performance management and talent strategy, focusing on building a healthy pipeline by attracting, assessing and developing talent. In addition, persistent attention to providing an inclusive environment to promote diversity in gender, age and culture, including opportunities for global mobility, forms a part of the proactive plan to manage talent in key function areas. The Company's Competency Model, aligned with the business strategy, helps realize its full potential, individually and as an organization.

As part of the next level strategy, in 2016, the Company's Human Resources also made great strides in establishing world-class Global Business Services (GBS) organization and Centers of Excellence (CoE). These have been set up to make ABB faster, more agile and customer-focused, and ultimately, strengthen its position as preferred employer in a rapidly evolving market. Industrial relations remained cordial and harmonious across all manufacturing locations.

Learning and development, and training

The Company's learning and development (L&D) function focuses on leadership and professional development programs. However this function also provides project management programs like Project Planning, Analysis and Control (PPAC) and Project Management Application (PMA) training on need basis. All divisions have a technical training department which provides technical training programs to their respective employees.

The Company's L&D team is responsible for the implementation of Global Training Programs such as ABB Life, Leadership Challenge Program (LCP), manager development program, middle manager program etc. L&D Partners are spread across different locations to assist the business units with global and local training initiatives. The Company's business units Human Resources teams are undergoing training to become trainers in their own locations for the near future. On the other hand, while most of the training initiatives are in-house, the Company's L&D team as needed works closely with external agencies and vendors to meet its the demands of local training programs and for the required a level of expertise.

Career development and opportunities

ABB encourages employees to progress within the organization as opportunities arise. Employees take responsibility for exploring and planning their future. Employees use career guide in their own career planning. The Human Resources function of the Company provides strong support to employees and managers in creating long term career plans.

The overall structure of career guide is clear and transparent. It helps the Company's employees to get a better understanding of their career possibilities and development activities. The development needs are reviewed on a regular basis to determine actions required to perform and develop in the current role, in a satisfactory manner and to prepare for future roles within the Company.

The Company's Higher Education Sponsorship Policy supports in building-up technical competencies in interested employees by giving them an opportunity to enhance their academic qualification for engineering and related courses in areas relevant to ABB. This policy also aims to establish a benchmark policy of supporting employees in pursuing higher studies in line with the industry practice.

The Company for many years now has collaborated with academia to promote R&D partnership and cooperation in various areas of pioneering technology relevant to the Company. ABB's Academic Partnership Program (APP) launched across many leading Indian universities, has provided a platform for young, bright, talent to gain confidence and exposure to address complex industrial problems with innovative ideas and cutting-edge technologies in the areas of energy efficiency, renewables, water, power and automation for utility, industry, infrastructure and transportation. The key motivation is to sustain advanced research programs in top academic institutes of India.

The Company seeks to support bright young future technologists and enable them to gain hands-on experience. The selection criteria for partnering with a university for research is based on intense scrutiny and a stringent internal review process. This has resulted in proactive R&D cooperation projects with 18 Indian and two global universities to date, supporting eight doctoral and 13 Masters students during the last three years. The ongoing projects include topics ranging from robotics to software and energy storage engineering, thermal analysis, oil and gas, heterogeneous networks and many more.

Diversity and inclusion

The Company understands that diversity supports innovation and success and the Company strives to go beyond this. In line with the ABB Group vision and policy, the Company welcomes different ways of thinking and acting, different qualities and skills, different experiences and backgrounds and values them because as the Company is dedicated to being inclusive, recognizing and respecting all aspects of difference.

As part of the Company's efforts in this front, it references its principles outlined in the following:

- The Organization for Economic Cooperation and Development's Guidelines for Multinational Enterprises
- The International Labor Organization's Declaration on Fundamental Principles, and
- The United Nations Universal Declaration of Human Rights

Sl. No.	Key Human Resource statistics	2016
1	Total number of permanent employees	5,603
2	New employees added to the Company	386
3	Apprentice / Interns / Trainees	995
4	Total number of employees hired on contractual basis	265
5	Of these how many were women	340
6	Number of permanent employees with disabilities	21
7	Recognized employee association	Yes
8	Percentage of permanent employees who are members of the recognized association	18.42%

The Company is committed to provide a safe and productive work environment that promotes the confidence to work, to innovate and to perform without fear of any type of harassment. The Company has a 'zero-tolerance' approach to any instance of sexual harassment. The Company's policy on sexual harassment of women at the workplace provides an effective resolution for any instance of sexual harassment and aims to prevent / deter the commission of acts of such harassment.

The Company has an Internal Complaints Committee for the prevention of sexual harassment as a part of the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. This aims to provide protection against sexual harassment of women in the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidentals thereto. The Company has the Internal Complaints Committee at each location and establishments (all locations where more than 10 women are employed). There were no complaints received by the said committee in the year

Customer engagement

The Company values and respects its customers, and strives to meet and exceed its customer expectations. The Company as a pioneering technology leader offers its customers products and solutions that improve operational and resource efficiencies and performance.

Feedback received from customers is used to improve the Company's products, systems and services. Since 2010, the Company has adopted the Net Promoter Score (NPS) survey on an annual basis in order to understand how the Company is perceived by its customers. The customers' response to the "recommend" question and the red card / green card feedback, tells the Company how it measures up to the customers' expectations, highlighting the areas where it has performed well and those where it needs to do better. In the NPS survey carried out by the Company in 2016, over 5,400 customer responses were received, representing a response rate of 62 percent. The NPS score rose to 61 percent, an improvement of over 2 percentage points as compared to the previous year.

The Company also has a cross-divisional initiative called Customer Contact Management (CCM) to improve the Company's set-up and performance with respect to inquiry handling, thereby contributing to improved customer experience & satisfaction. The initiative comprises a country-level Contact Center which provides an easy-to-reach contact point for those customers and other business partners who do not know where to turn to. The Contact Center receives inquiries – which can be of any kind for any product, system or service - and routes them to the business units or functions in ABB for their response and resolution. The Contact Center does not replace but complements existing channels between a customer or other business partner and the business units and functions. The Contact Center is available all working days during working hours and the Company also has an all India toll free number and email where inquires can be sent.

In terms of addressing customer complaints there is a set process called the Customer Complaint Resolution Process (CCRP), an ABB initiative to capture and resolve customer dissatisfaction with its processes, products and services, in the most expedient way. The system is designed to address issues in the shortest time, and the issue is handled within a maximum of 72 working hours. These are resolved on-time, more consistently, according to agreed targets. Customers are also given the opportunity to confirm if they were satisfied with the solution provided and the way it was handled. There were a total of 3156 customer complaints received for the year. 96.98 percent of all customer complaints received during the year have been resolved on time.

Community engagement

The ABB's Group's Social Policy was adopted in February 2001. It draws on five sources: the United Nations' Universal Declaration of Human Rights, the International Labor Organization's fundamental principles on rights at work, the OECD Guidelines for Multinational Enterprises, the Global Sullivan Principles and the Social Accountability 8000 (SA 8000) standard, an auditable standard for the protection of workers' rights developed by the Council on Economic Priorities Accreditation Agency. The Social Policy focuses on ABB in society, human rights, children and young workers, freedom of engagement, health and safety, employee consultation and communication, equality of opportunity, harassment and disciplinary practices, working hours, compensation, suppliers, community involvement and business ethics.

The Company strives for excellence in integrity and social responsibility. The Company in line with its set Corporate Social Responsibility (CSR) Policy completed various community engagements with the intent of contributing to the vulnerable groups of society. Its activities were predominantly in and around regions of its operation with focus on key set CSR focal areas.

Several innovative projects were undertaken and fulfilled specifically in the area of access to electricity, differently abled and education. Access to electricity being a key area of Company's interest, and with an objective of rendering the Company's technical and product competency to the community, the Company partnered with a premier research organisation in the country to contribute towards frontier research in renewable energy and for implementation of smart/ micro grid for a remote village community in the country.

In the area of education and differently abled, the Company's focus was to bring in more educational and awareness programs for underprivileged children. This was effected through partnership with Non-Governmental Organizations (NGO) who have the proven track record and experience in the sector.

CSR spending is through the Company's registered Trust namely the ABB India Foundation and is a mix of direct spending as well as through partnerships with verified NGO partners. During the year, the Company spent ₹ 740 Lakhs on CSR activities as stipulated under Schedule VII of the Companies Act, 2013.

Further a number of other projects that have been initiated with commitment with partnering originations, these would be implemented and completed in the forthcoming year. The total spend across various projects/activities is detailed in Annexure to the directors' report 2016 on Corporate Social Responsibilities (CSR) activities.

Respecting and promoting human rights

ABB Group recognizes that respect for human rights is a material issue and failure to do so can cause harm to people and adversely affect business, with potential legal, financial and reputational consequences. The Company follows the Groups Human Rights Policy, which is in place since 2007.

The ABB Human Rights and Social Policies specifically refer to the ILO Core Conventions as the minimum to be achieved, with respect to non-discrimination, prohibition of child and enforced labor, freedom of association and the right to engage in collective bargaining. The ABB Group is trying to operationalize these principles in daily performance and in a coherent manner. Raising awareness of human rights is one of ABB's nine Sustainability Objectives for 2014-2020. The Company's managers and key personnel received the Human Rights training rendered by the ABB Group in the year.

The UN Guiding Principles are central to ABB's Human Rights training. A global awareness-raising program for senior managers focuses on understanding how ABB can potentially impact human rights, the importance of due diligence and how the company is embedding human rights in business processes, and a global capacity building program is also under way to create a network of specialists in key countries. In addition, ABB Group supports a number of leading organizations in their efforts to improve corporate understanding of human rights issues. The Company, in line with the Group policy, seeks to raise its standards, and increase its understanding, and mitigation of human rights risk. In this reporting period, there have not been any grievances related to Human Rights in the Company.

Integrity, transparency and accountability

The Company is committed to a high standard of integrity which is expected of every employee and in every activity. The Company has developed and implemented a systematic approach designed to prevent, detect, and resolve any potential integrity concerns. This is supported by tools and processes and a zero tolerance policy for any violations. The Company's integrity program in line with the Group has created an environment where all of the Company's employees can be open about identifying risks, asking questions, and raising concerns.

At the Company, integrity begins with leadership, responsibility and accountability. The integrity program relies on local management to lead by example. All local business unit managers regularly lead discussions about integrity issues to ensure that the ethics message comes from the same person that sets the business targets: "integrity is the business of the business". With support from top leadership, local leadership, committed integrity resources, and partner resources (like Human Resources and Sustainability Affairs) the Company, is able to foster a strong and sincere culture of integrity.

The ABB Code of Conduct is the framework that explains the behavior the Company expects of every employee and stakeholder who work with it. It is applicable and expected to be adhered to by the Company's employees, and all other stakeholders who work for the Company.

Employees are not just encouraged, but are required to speak up and to report any suspected or observed violations of the law, or of the ABB Code of Conduct. Reporting channels / ethics hotline are available to report on any issues of non-compliances with respect to the Company's integrity policy or the Code of Conduct. The Whistleblower Protection Policy of the Company creates a safe and confidential environment for employees to make such reports. This policy governs the reporting and investigation of alleged improper or illegal activities within the Company as well as the protection afforded to those employees who report them (the "whistleblowers"). In case of reported incidents, all reports are subject to appropriate investigation and are brought to full closure using systematic processes and tracking systems.

The Company's Anti-corruption Policy is stated explicitly in the ABB Group directive on bribery and anti-corruption and emphasizes key components which are essential to ensuring a strict compliance to anti-bribery laws but also refraining from corruption. Bribery can also take the shape of paying facilitation payments, which have been banned in ABB for several years now. The Company enforces a rigorous zero-tolerance policy against any involvement in bribery or corruption and has put in place robust policies to prevent bribery such as on gifts, entertainment and expenses, charitable contributions and representatives, and measures to ensure ethical supply chains. In addition, the Company's policies mirror the principles set out in Transparency International's publication, Business Principles for Countering Bribery, a multi-stakeholder framework for companies to benchmark their integrity and compliance programs.

The Company has strong program to detect and prevent non-compliant behavior and other integrity concerns. There are also frequent internal audits, anti-bribery reviews to detect, identify possible cases of non-compliance on the Code of Conduct. The Company also runs an employee survey exercise to further understand attitudes, awareness and perceptions of integrity within the Company. The Company has also established different reporting channels internally on integrity issues and runs a business ethics hotline for any employee concerns on the subject.

Links to the Company's Policies and Programs

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

India Sustainability:
http://new.abb.com/indian-subcontinent/about/sustainability

OHSE Policy:
http://www.abb.co.in/cawp/abbzh258/2b29259f7d32970dc1256f6b004f8842.aspx

Environmental Policy:
http://www.abb.com/cawp/abbzh258/20d663570aa2a7e0c1256d3c005b8fe6.aspx

Social Policy:
http://www.abb.com/cawp/abbzh258/79d754a977a2141dc1256d3d0028e101.aspx

Human Rights Policy:
http://www.abb.com/cawp/abbzh258/19e081068bd263d0c12574110055cfd7.aspx

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

Sexual harassment of women at the workplace Policy:
http://in.inside.abb.com/cawp/gad00916/e2629cc057baae4065257b7a00241d25.aspx

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

Supplier Code of Conduct:
http://www.abb.co.in/cawp/seitp161/1c85f0f085e972e4c12577680059b934.aspx

Corporate Governance
http://new.abb.com/indian-subcontinent/investors/corporate-governance

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

Whistle Blower Protection Policy
http://www.abb.com/cawp/abbzh252/21845729c59f494ec12579b50031d6f5.aspx

Energy Efficiency (ABB Group):
http://www.abb.com/energyefficiency

Access to Electricity:
http://www.abb.com/cawp/abbzh258/051d295b8c237da0c1256f6500462ea5.aspx

Community Program for Differently-abled people:
http://www.abb.co.in/cawp/seitp202/5b64260a18f6459ac1257abc003b22a9.aspx

Supplier Sustainability Development Program:
http://new.abb.com/about/supplying/sustainability

Note:
The Business Responsibility Report (BRR) in format as specified by the Securities and Exchange Board of India (SEBI), pursuant to Regulation 34 (2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report.

Business Responsibility Report 2016
(As per Regulation 34 (2) of the Listing Regulations, 2015)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity (CIN) of the Company	L32202K1949PLC032923
2.	Name of the Company	ABB India Limited
3.	Registered address	21st Floor, World Trade Center, Brigade Gateway, No 26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru 560 055
4.	Website	http://new.abb.com/indian-subcontinent
5.	E-mail id	investor.helpdesk@in.abb.com
6.	Financial Year reported	2016
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	1. Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus - 271 2. Manufacture of other electrical equipment - 279 3. Manufacture of electronic components - 261 4. Manufacture of measuring, testing, navigating and control equipment; watches and clocks – 265
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. Switch gear of all types 2. Transformers 3. Electronic control and supply units for variable speed drives for other applications 4. Motors and other machines
9.	Total number of locations where business activity is undertaken by the Company	36
	A Number of International Locations (provide details of major 5):	4 Sri Lanka, Bangladesh, Nepal and Bhutan
	B Number of National locations:	32
10.	Markets served by the Company-Local/State/National/International	India, Nepal, Bangladesh, Sri Lanka, Middle East and Africa, South-East Asia, Europe and Americas.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	42.38 Crore
2.	Total Turnover (INR)	8,713.64 Crore
3.	Total profit after taxes (INR)	376.25 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	1.97%
5.	List of activities in which expenditure in 4 above has been incurred:	Refer CSR report attached to the Directors' Report

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR Head

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

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

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

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

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

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

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	3-6 months.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes. The Business Responsibility Report is published annually. http://new.abb.com/docs/librariesprovider19/default-document-library/brr_2015.pdf?sfvrsn=2

SECTION E: PRINCIPLE-WISE PERFORMANCE

	Principle 1	
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	No. It extends to the Group/Joint Ventures, Suppliers, Contractors, NGOs and Others.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	There were 401 investor grievances received, off which all of them have been satisfactorily resolved.
	Principle 2	
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	
	(a) Gas insulated switch gear	
	(b) Low voltage circuit breakers	
	(c) Large Distribution Transformer	
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	
	(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	Not available
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not available

3.	Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes. The Company has set procedures to select suppliers, contractors and service providers based on their competence and capability to undertake tasks and in compliance with the ABB's Supplier Code of Conduct which includes health & safety, environment, ethics & integrity, human rights, working conditions among others. As a guiding principle the Company prefers to do business with compliant and sustainable suppliers. The Company has set procedures in place for sustainable souring including transportation. At the time of qualification to become an ABB supplier, the vendor is assessed across sustainability matrix. The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The goal of the SSDP is to ensure compliance with the Supplier Code of Conduct, to support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain. Under the program, the Company trained both suppliers and Company employees, and carried out independent third party supplier audits to identify areas of improvement in the areas of General management, Working hours, Remuneration, Social benefits, Health and Safety, Environmental protection, Human Rights aspects etc. The ABB Group directive specifically for Sourcing for Transport & Logistics service is a guidance document that the Company follows. Among many other stringent criteria that the supplier is evaluated upon, key sustainability aspects that are reviewed for selection include: HSE policy and training programmes of the vendor, compliance to internal and external certification of the operations staff of the vendor for HSE training to ensure their HSE competencies prior to commencement of work, follow of PPE requirement, certification of all safety tools, equipment by third party and to check if the vendor is in compliance with all the governmental environmental regulations, energy conservation and Carbon footprint initiatives . There are also stringent qualifications across ABB's Human Rights policy, training, and adherence to ABB's RoHS, Reach Compliance and to ABB List of Prohibited and Restricted Substances for supplier qualification.
	(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	All of the Company's vendors mandatorily go through a stringent evaluation and qualification criteria before they are registered within the Company. The qualification procedures include all aspects of sustainability performance.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. Businesses do have their list of local suppliers however the Company is moving towards a centralized procurement team and all of its vendors and suppliers need to meet with the set of qualification requirements of the Company
	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company has analyzed the identified the most common issues of our suppliers as "no health & safety risk assessment" and "no environmental risk assessment" during sustainability assessments. To address these issues systematically, three one-day workshops on the topic were organized at manufacturing locations of the Company in Bengaluru, Nashik, and Vadodara for our suppliers. Internal Company's documents & training materials on best practices has been made available to suppliers to expedite their learnings.
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes. >10%. The Company has stringent waste management practices for internally generated wastes; covered in the Company's HSE policy.
	Principle 3	
1.	Please indicate the Total number of employees.	Permanent employees: 5603
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Apprentice / Interns / Trainees : 995 Contract employees: 265
3.	Please indicate the Number of permanent women employees.	340
4.	Please indicate the Number of permanent employees with disabilities	21
5.	Do you have an employee association that is recognized by management.	Yes
6.	What percentage of your permanent employees is members of this recognized employee association?	18.42%
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	

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

8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Yes. On a periodical basis. All of the Company's employees underwent safety related training and skill upgradation. An average HSE training hours was 3.81 hours / employee
	(a) Permanent Employees	
	(b) Permanent Women Employees	
	(c) Casual/Temporary/Contractual Employees	This category of employees are subjected to skill based training depending on the work and job roles. Training matrix is designed based on their job risk profiles. As and when required, refresher trainings are provided to upgrade skills based on any changes in the work/ job profiles of employees.
	(d) Employees with Disabilities	Training on various aspects are given to employees including persons with disabilities
	Principle 4	
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	No
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	No
	Principle 5	
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	No. It is applicable to all – Group, Joint Ventures, Suppliers, Contractors, NGOs and Others.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil
	Principle 6	
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others.	No. It is applicable to all – Group, Joint Ventures, Suppliers, Contractors, NGOs and Others.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. http://new.abb.com/betterworld/how-abb-technology-mitigates-climate-change http://new.abb.com/docs/default-source/better-world/abb-statement-on-climate-change.pdf?sfvrsn=6
3.	Does the company identify and assess potential environmental risks? Y/N	Yes
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. http://new.abb.com/energy-efficiency
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.	Nil
	Principle 7	
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes
	(a) Confederation of Indian Industries (CII)	
	(b) Manufacturers' Association (IEEMA)	
	(c) Federation of Karnataka Chambers of Commerce and Industry	
	(d) Swiss Chamber of Commerce	
	(e) Bangalore Chamber of Industry and Commerce	

2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No
	Principle 8	
1.	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has a CSR policy and activities are on the 5 key focal areas for its social development projects/activities.
2.	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?	The CSR programs of the Company are through its registered Trust and activities include both direct spending through in house team as well as through partnerships with verified external NGO partners/ implementing agencies.
3.	Have you done any impact assessment of your initiative?	Not Yet
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the year, the total spent on CSR activities by the Company was ₹ 740 Lakhs against a budget of ₹ 749 Lakhs as stipulated under Schedule VII of the Companies Act, 2013. Details are in annexure attached in the CSR report
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	CSR activities were pursued in line with the Company's policy and framework. The first step in the process is to identify communities that require our intervention through a stakeholder engagement. The Company has continual interactions with the relevant stakeholders so that its interventions are sustainable and is accepted and adopted by the key stakeholders.
	Principle 9	
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	3.02%
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)	No
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Feedback received from customers is used to improve the Company's processes, products and services. The Company seeks formal feedback from customers through the Net Promoter Score (NPS) survey to help better understand the customers' experience with the Company and to identify areas for improvement. Since 2010, the Company has adopted the Net Promoter Score (NPS) Survey on an annual basis.

Notice to the Members

NOTICE is hereby given that the SIXTY SEVENTH ANNUAL GENERAL MEETING of the Members of ABB India Limited will be held at "**Grand Ball Room", Second Floor, Sheraton Bangalore Hotel at Brigade Gateway**, 26/1, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bengaluru – 560 055, on **Tuesday, May 9, 2017 at 11.00 A.M. (IST)** to transact the following businesses:

Ordinary Business

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

To receive, consider and adopt the financial statements, namely, (i) the Audited Balance Sheet as at December 31, 2016, (ii) the Audited Profit & Loss Account for the year ended on that date, (iii) the Cash Flow Statement for the financial year ended on that date, (iv) statement of changes in Equity, if any, (v) an Explanatory Note annexed to, or forming part of, the documents referred to in (i) to (iv) above and the Reports of Board of Directors and the Auditors thereon.

Item No. 2 – Declaration of Dividend

To declare a dividend of ₹ 4/- per Equity Share of ₹ 2/- each for the Financial Year 2016.

Item No. 3 – Appointment of a Director

To appoint a Director in place of Mr. Tarak Mehta (DIN: 06995639), who retires by rotation at this Annual General Meeting and being eligible offers himself, for re-appointment.

Item No. 4 – To appoint Statutory Auditors and to authorize the Board of Directors to determine their remuneration

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

"**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) be and are hereby appointed as the Statutory Auditors of the Company in place of retiring Statutory Auditors, Messrs S R BATLIBOI & ASSOCIATES LLP (Firm Registration No.101049W/E300004), to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting until the conclusion of the 72nd Annual General Meeting subject to ratification of their appointment by the Members at every Annual General Meeting and to authorize the Board of Directors to determine their remuneration."

Special Business

Item No. 5 – Commission to the Non-Executive Directors of the Company

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

"**RESOLVED THAT** pursuant to Article 154A of the existing Articles of Association of the Company and the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded for payment of remuneration by way of commission to the Non-Executive Directors of the Company (i.e., excluding the Managing Director of the Company and the Whole-time Director, if any), an amount not exceeding in the aggregate 1% per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, for a period of five financial years from January 1, 2017 to December 31, 2021, in such manner and proportion as may be determined by the Board from time to time."

Item No. 6 – Ratification of remuneration to the Cost Auditor of the Company for Financial Year 2017

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the payment of remuneration of ₹ 33,00,000/- (Rupees Thirty Three Lakh only) per annum plus applicable service tax and out of pocket expenses actually incurred during the course of audit to Ashwin Solanki & Associates, Cost Accountant (Registration No.100392) appointed as Cost Auditor, by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending December 31, 2017, be and is hereby confirmed, approved and ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all acts and take all such steps as

may be necessary, proper or expedient to give effect to this resolution."

Item No. 7 – Alteration of the Objects Clause of the Memorandum of Association of the Company

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

"**RESOLVED THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, the following new sub-clause be inserted as sub-clause 2(a) in Clause III of the Company's Memorandum of Association ("MoA") and the existing sub-clauses 2(a) and 2(b) in the said Clause III of the MoA be renumbered as sub-clauses 2(b) and 2(c) thereafter.

New Sub Clause 2(a) of Clause III of MoA

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.

RESOLVED FURTHER THAT the Board of Directors of the Company and Key Managerial Personnel be and are hereby authorized to do or cause to be done all such acts, deeds, matters and things and execute and sign all such documents and papers, as may be necessary in this regard, including without limitation to sign and submit the various Forms / E-Forms and other papers/documents to be filed with the Registrar of Companies, Ministry of Corporate Affairs, Government of India or any other Competent Authority."

Item No. 8 – To consider adoption of new set of Articles of Association of the Company

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

"**RESOLVED THAT** the new set of Articles of Association placed before the meeting and initialed by the Chairman for the purpose of identification be and the same is adopted in substitution for, and to the exclusion of, the present set of Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and Key Managerial Personnel be and are hereby authorized to do or cause to be done all such acts, deeds, matters and things and execute and sign all such documents and papers, as may be necessary in this regard, including but not limited to sign and submit the various Forms / E-Forms and other papers/documents to be filed with the Registrar of Companies, Ministry of Corporate Affairs, Government of India or any other Competent Authority."

By Order of the Board
For ABB India Limited

B Gururaj
Company Secretary
FCS-2631

Place: Mumbai
Date: March 23, 2017

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTY–EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE APPOINTING ORGANISATION. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL

SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.

IN CASE OF JOINT HOLDERS ATTENDING THE MEETING, ONLY SUCH JOINT HOLDER WHO IS HIGHER IN THE ORDER OF NAMES WILL BE ENTITLED TO VOTE.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of special businesses under Item Nos. 5 to 8 is annexed hereto.

3. Members / Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, May 3, 2017 to Tuesday, May 9, 2017 (both days inclusive) for the purpose of payment of dividend.

5. The dividend, as recommended by the Board of Directors of the Company, if declared at the Annual General Meeting, will be paid on and from Thursday, May 11, 2017, to those Members whose names stand registered on the Company's Register of Members:

   a) as Beneficial Owners as at the end of business hours on Tuesday, May 2, 2017 as per the list to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in dematerialized form.

   b) as Members in the Register of Members of the Company after giving effect to valid share transfers lodged with the Company, on or before Tuesday, May 2, 2017.

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

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

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

7. Members who have not yet encashed the dividend warrant(s) from the financial year ended December 31, 2009 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amounts which were lying with the Company upto the year ended on December 31, 2008, have been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.abb.co.in and Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact Karvy Computershare Private Limited, Unit: ABB India Limited, Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal, Hyderabad – 500 032, Telangana, the Registrar and Share Transfer Agents of the Company to claim the unclaimed / unpaid dividends.

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

9. The present Statutory Auditors, Messrs S R BATLIBOI & ASSOCIATES LLP (Firm Registration No.101049W/E300004) will hold office upto the ensuing Annual General Meeting and are not eligible for re-appointment as Statutory Auditors of the Company as per Companies Act, 2013. Accordingly, the Board of Directors have recommended the appointment of Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022), as Statutory Auditors, in place of Messrs S R BATLIBOI & ASSOCIATES LLP, the retiring Auditors, for a period of 5 years from the conclusion of this Annual General Meeting until the conclusion of the 72nd Annual General Meeting, subject to ratification of their appointment by the Members at every Annual General Meeting.

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

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

12. Shareholders, intending to require information about the Financial Accounts to be approved at the Meeting, are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.

13. Members are requested to attend the meeting along with the copy of the Annual Report, already sent to them.

14. The Company has designated an exclusive e-mail id viz., investor.helpdesk@in.abb.com to enable investors to register their complaints / queries, if any.

15. The Securities Exchange Board of India (SEBI) vide its earlier circulars have made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Members are requested to submit the PAN details to their respective DP in case of holdings in dematerialized form or the Company's Registrar and Share Transfer Agents in case of holdings in physical form, mentioning the correct folio number.

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

17. Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. Members who are desirous to convert their physical holdings into dematerialized form shall contact the Company's Registrar and Share Transfer Agents at the address mentioned above.

18. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at www.abb.co.in and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - www.bseindia.com and National Stock Exchange of India Limited - www.nseindia.com

19. All documents referred in the accompanying Notice and Statement setting out material facts are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 p.m. upto Tuesday, May 9, 2017 being the date of the Annual General Meeting.

20. The Annual Report of the Company for the year ended December 31, 2016 along with Notice, process and manner of remote e-voting, Attendance Slip and Proxy form are being sent by e-mail to those Members who have registered their e-mail address with the Company or with their respective DP or Registrar and Share Transfer Agents of the Company. Members who are desirous to have a physical copy of the Annual Report should send a request to the Company's e-mail id viz., investor.helpdesk@in.abb.com clearly mentioning their Folio number / DP and Client ID.

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

22. Information and other instructions relating to remote e-voting and voting by Ballot Form are as under:

(1) In case of Remote E-voting:

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

A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company / DP(s)]:

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

ii. Enter the login credentials (i.e. user ID and password). In case of physical folio, user ID will be EVEN number 2962 followed by folio number. In case of Demat account, user ID will be your DP ID and Client ID. However, if you are already registered with Karvy for remote e-voting, you can use your existing user ID and password for casting your vote.

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

iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

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

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

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

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

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

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

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

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email cs.skannan@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "ABB India Limited 67th Annual General Meeting."

B. In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company / DP(s)]:

i. Remote E-Voting Event Number 2962 (EVEN), user ID and password is provided in the Ballot Form.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

(2) In case of voting by using Ballot Forms:

i In terms of Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Listing Regulations, the Company, in order to enable its Members, who do not have access to remote e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, is enclosing a Ballot Form along with Annual Report.

ii A Member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (FOR) or dissent (AGAINST) and send it to the Scrutinizer, Mr. S. Kannan, Practicing Company Secretary, duly appointed by the Board of Directors of the Company, in the enclosed postage prepaid self-addressed envelope. Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted at the Registered Office of the Company.

iii Please convey your assent in Column "FOR" and dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.

iv Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before Friday, May 5, 2017 (5.00 p.m. IST). The Ballot Forms received after the said date / time shall be strictly treated as if the reply from the Member has not been received.

v Unsigned / incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.

vi A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email to investor.helpdesk@in.abb.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than Friday, May 5, 2017 (5.00 p.m. IST).

vii A Member can opt for only single mode of voting i.e. either through remote e-voting or by Ballot Form. If a Member casts vote by both modes then voting done through remote e-voting shall prevail and vote by Ballot shall be treated as invalid. Members who have cast their vote by remote e-voting prior to the meeting may also attend the general meeting, however those Members are not entitled to cast their vote again in the general meeting.

(3) Voting at AGM:

The Members who have not cast their vote either electronically or through Ballot Form, can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue.

(4) Other Instructions:

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

ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

iii. The remote e-voting period commences on Friday, May 5, 2017 (9.00 a.m. IST) and ends on Monday, May 8, 2017 (5.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Tuesday, May 2, 2017, may cast their vote electronically in the manner and process set out hereinabove. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

iv. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off date, i.e. Tuesday, May 2, 2017, may obtain the login ID and password by sending a request at evoting@karvy.com.

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

vi. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date Tuesday, May 2, 2017.

vii. The Board of Directors has appointed Mr. S. Kannan (Membership No. F6261 and PCS No. 13016), Practicing Company Secretary and in his absence Mr. B L Vinay, Practicing Company Secretary (Membership No. A26638 and PCS No.10760) as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

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

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

x. Promptly after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website at www.abb.co.in and on the KARVY's website at https://evoting.karvy.com and

communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.

Statement setting out Material Facts under Section 102 of the Companies Act, 2013

Item No. 5

At the 62nd Annual General Meeting of the Members of the Company held on May 10, 2012, the Company had obtained the approval of the Members by a Special Resolution for payment of commission to the Non-executive Directors, upto an amount not exceeding in the aggregate 1% per annum of the net profits of the Company, the validity of which has expired on December 31, 2016.

Keeping in view the increased responsibilities of the Non-executive Directors entrusted by the Companies Act, 2013 and the Listing Regulations, it is considered appropriate that the Non-executive Directors of the Company are compensated reasonably, commensurate with their increased responsibilities and the contributions made by them.

It is therefore proposed that Non-executive Directors be paid remuneration by way of commission of an amount, not exceeding in the aggregate 1% per annum of the net profits of the Company, computed in accordance with Section 198 of the Companies Act, 2013, in accordance with the recommendations of Board of Directors of the Company, for a period of five years commencing from January 1, 2017. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

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

Section 197 of the Companies Act, 2013 read with Article 154A of the existing Articles of Association of the Company, requires the approval of the Members of the Company in General Meeting by a Special Resolution for the payment of remuneration by way of commission to Non-executive Directors of the Company. Hence, the Special Resolution at Item 5 of the Notice.

Details of commission and sitting fees paid to Non-Executive Directors during the Financial Year 2016 is provided in the Corporate Governance Report which is annexed to the Directors' Report.

The Special Resolution at Item 5 is recommended for approval by the Members.

Each of the Non-Executive Directors of the Company, who are also the Independent Directors namely, Mr. Nasser Munjee, Mr. Darius E. Udwadia and Mrs. Renu Sud Karnad who is eligible to receive remuneration by way of commission as aforesaid is interested in the Special Resolution to the extent of the commission payable to them individually.

None of the other Directors and / or Key Managerial Personnel of the Company and / or their respective relatives, is concerned or interested, financially or otherwise, in the Special Resolution set out at Item 5 of the Notice.

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of Ashwin Solanki & Associates, Cost Accountant (Registration No: 100392) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending December 31, 2017.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor requires to be ratified by the Members of the Company. Accordingly, ratification of the Members is sought as referred to in the Resolution at Item 6 of the Notice of the payment of the remuneration amounting to ₹ 33,00,000/- for Cost Audit plus applicable service tax and out of pocket expenses payable to the Cost Auditor for the financial year ending December 31, 2017.

None of the Directors and/or Key Managerial Personnel of the Company and / or their respective relatives is concerned or interested, financially or otherwise, in the Special Resolution set out at Item 6 of the Notice.

Item No. 7

The existing Memorandum of Association ("MoA") of the Company was originally adopted when the Company was incorporated under the Companies Act, 1913 and amendments were carried out as and when required. To cover various business activates undertaken by the Company with updated nomenclatures under one Object Clause to avoid finding references in various other Sub Clauses of existing MoA, it is proposed to alter the Objects Clause of the MoA in the manner and to the extent set out in the Special Resolution at Item 7 of the Notice. The proposed new Sub Clause also covers areas of businesses which the Company may undertake in future.

As per Section 13 the Companies Act 2013, read with Companies (Incorporation) Rules, 2014, any alterations proposed to be made in the Memorandum of Association of the Company requires the approval of the Members by a Special Resolution.

The Directors recommend the Special Resolution at Item 7 for approval by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and / or their respective relatives is concerned or interested, financially or otherwise, in the Special Resolution set out at Item 7 of the Notice.

Item No. 8

Following the enactment of the Companies Act, 2013 which repealed the Companies Act, 1956 it is considered necessary to alter the Articles of Association of the Company to bring them fully in conformity with the applicable / corresponding provisions of the Companies Act, 2013.

Rather than making piecemeal alterations in various provisions contained in the existing Articles of Association, it is proposed, in view of the foregoing, to adopt an altogether new set of Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association.

Pursuant to Section 14 of the Companies Act, 2013 the proposed new set of Articles of Association will require to be approved by the Members in General Meeting by a Special Resolution. Hence, the Special Resolution at Item 8 of the Notice.

The following are the material / significant alterations proposed to be made in the existing Articles of Association, consequent upon the enactment of the Companies Act, 2013 and the applicable / corresponding provisions thereof:

Sl. No.	Article reference as per new draft Articles	Summary of change
1.	18	The Article has been inserted to provide for buy back of securities of the Company.
2.	117 (c)	The Article has been inserted to provide for voting through electronic means.
3.	137	Incorporation of references relating to independent directors
4.	141(e)	The Article has been inserted to allow the same individual to be appointed as Chairman as well as Managing Director and Chief Executive Officer of the Company.
5.	163 and 164	Amendments made to provide for participation of directors at meetings of the Board/Committee either through video conferencing or audio visual means or teleconferencing, as the case may be.
6.	178	Provision made to appoint key managerial personnel and incorporation of references relating to key managerial personnel
7.	183	The Article has been amended to allow maintenance of statutory registers physically as well as in electronic mode.
8.	200	The Article has been amended to provide for maintenance of books of account in electronic mode as well.

The proposed new Articles of Association have been uploaded on the Company's website at www.abb.co.in for perusal by the Members.

The Directors recommend the Special Resolution at Item 8 of the Notice for approval by the Members.

None of the Directors and/ or Key Personnel of the Company and / or their relatives is concerned or interested, financially or otherwise, in the Special Resolution set out at Item 8 of the Notice.

By Order of the Board
For ABB India Limited

B Gururaj
Company Secretary
FCS-2631

Place: Mumbai
Date: March 23, 2017

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

Annexure to AGM Notice

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

Name of the Director	Tarak Mehta
Director Identification Number	06995639
Date of Birth / Age	16.10.1966 / 50 years
Date of appointment as a Director	28.10.2014
Qualification	BS Mechanical Engineering MBA Finance & Marketing
Brief profile and nature of their expertise in specific functional areas	Mr Tarak Mehta is President, Electrification Products division of ABB Ltd., Switzerland. Prior to that, he had acted as Executive Vice President, Head of Low Voltage Products division of ABB Ltd., Switzerland, since October 1, 2010 and as Head of Business Unit Transformers at ABB Management Services Ltd since 2007. Mr. Mehta joined ABB Power T&D Company Inc in 1998 and has held various management positions in the Power Products division in the United States, Sweden and Switzerland. Before joining ABB, he worked for nine years at Cooper Power Systems in the United States.
Directorships held in other companies in India	Nil
Memberships / Chairmanships of committees held in other companies in India	Nil
Shareholding in the Company	Nil

- Details of Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee are provided.
- Directorships in foreign companies, membership in governing councils, chambers and other bodies, Partnership in firms etc., are not provided.

Aforesaid Director is not related to any other Director.

Directors' Report

Your Directors have pleasure in presenting their Sixty Seventh Annual Report and Audited Accounts for the year ended December 31, 2016.

1. Financial Results:

(₹ in Crore)

Particulars	For the year ended	
	December 31, 2016	December 31, 2015
Profit Before Taxation	576.05	474.59
Less: Provision for Tax		
- Current Tax	229.20	203.71
- Deferred Tax	(29.40)	(29.00)
Profit after Tax	376.25	299.88
Balance Brought Forward from last year	109.41	103.90
Amount available for Appropriation	485.66	403.78
Appropriations:		
General Reserve	210.00	150.00
Debenture Redemption Reserve	50.00	50.00
Proposed Dividend	84.76	78.41
Corporate Dividend Tax	17.26	15.96
Balance Carried Forward	123.64	109.41
	485.66	403.78

2. Dividend:

Your Directors recommend payment of a dividend at the rate of ₹ 4 (Rupees Four only) per share for the year ended December 31, 2016 on 211,908,375 equity shares of ₹ 2/- each.

3. Performance Review:

The Company secured orders valued ₹ 12,466 crore in 2016 as against ₹ 8,100 crore in the previous year, reflecting the technology push in the transmission business and the continued traction in transportation and renewable energy. Services and export-led orders resulted in more comprehensive customer engagements. The order backlog at the end of the year stood at ₹ 11,821 crore which continued to provide visibility to the future revenue streams. The revenue from operations for the Company for the year 2016 stood at ₹ 8,648 crore as against ₹ 8,140 crore in the previous year, reflecting stability of operations in an uncertain market situation. Profit before tax was up by 21% at ₹ 576 crore in 2016 on higher sales as compared to ₹ 475 crore in the previous year mainly due to operational excellence initiatives, supply chain efficiencies, focus on project management. Net profit after tax was up by 25% at ₹ 376 crore for the current year as compared to ₹ 300 crore in the previous year. Consequently the earnings per share for the year 2016 stood at ₹ 17.76 per share as compared to ₹ 14.15 per share in the year 2015.

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

4. Extract of Annual Return:

As per provisions of Section 92 (3) of the Companies Act, 2013 (the Act) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the extract of the Annual Return in the Form MGT-9 is given in Annexure – B, forming part of this report.

5. Board Meetings held during the year:

As required under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), during the year, 4 meetings of the Board of Directors were held and one meeting of Independent Directors was also held. The details of the meetings are furnished in the Corporate Governance Report.

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

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

7. Remuneration Policy of the Company:

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

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

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

8. Dividend Distribution Policy:

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

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

During the year under review, your Company has not granted any Loan, Guarantees or made Investments within the meaning of Section 186 of the Act.

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

The Company transferred a sum of ₹ 210 Crore towards General Reserve and ₹ 50 Crore towards Debenture Redemption Reserve during the Financial Year 2016.

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

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

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

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

13. Risk Management Policy:

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

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

14. Corporate Social Responsibility (CSR) initiatives:

The Company is having a Policy on Corporate Social Responsibility and constituted a CSR Committee as required under the Act for implementing various CSR activities. Composition of the Committee and other details are provided in Corporate Governance Report. Education, Access to Electricity, Health Care, Environment, skills enhancement for creating employable opportunities for the differently abled personnel, etc., are the focal area under the CSR Policy.

The Company has implemented various CSR projects directly and / or through implementing partners and the projects undertaken by the Company are in accordance with Schedule VII of the Act. During the year under review, the Company has achieved 99% of the amount to be spent by the Company on CSR activities.

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

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

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

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

16. Audit Committee:

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

17. Related Party Transactions:

The Board of Directors has adopted a policy on Related Party Transactions. The objective is to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties. All contracts or arrangements with related parties, entered into or modified during the financial year were at arm's length basis and in the ordinary course of the Company's business. All such contracts or arrangements were entered into only with prior approval of the Audit Committee, except transactions which qualified under Omnibus approval as permitted under law. During the year under review, there were no contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act as amended from time to time. Therefore, there is no requirement to report any transaction in Form No. AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 as amended from time to time. Transactions with related parties, as per requirements of Accounting Standard 18 are disclosed in the notes to accounts annexed to the financial statements. Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website. Link for the same is http://new.abb.com/docs/librariesprovider19/default-document-library/related-party-transaction-policy.pdf?sfvrsn=2

18. Reporting of frauds:

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

19. Transfer to Investor Education and Protection Fund:

As required under Section 124 of the Act, the unclaimed dividend amount aggregating to ₹ 21.01 lakh lying with the Company for a period of seven years pertaining to the financial year ended on December 31, 2008, was transferred during the year 2016, to the Investor Education and Protection Fund established by the Central Government.

20. Particulars of Employees:

The information on employees particulars as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are given in Annexure – F, forming part of this report. In terms of Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding this Annexure. This Annexure shall be provided to Members on a specific request made in writing to the Company. The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company up to the date of the 67th Annual General Meeting.

21. Directors' Responsibility Statement:

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

a) in the preparation of the annual financial statements for the year ended December 31, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if applicable;

b) for the financial year ended December 31, 2016, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended December 31, 2016;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual financial statements have been prepared on a going concern basis;

e) proper internal financial controls are in place and such internal financial controls are adequate and were operating effectively;

f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and are adequate and operating effectively.

22. Corporate Governance Report and Certificate:

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

23. Secretarial Audit:

Pursuant to provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto, your Company engaged the services of Messrs HBP & Co., Company Secretaries, Bengaluru, to conduct the Secretarial Audit of the Company for the financial year ended December 31, 2016. The Secretarial Audit Report in Form MR-3 is given in Annexure – I, forming part of this report.

24. Business Responsibility Report:

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

25. Whistle Blower Policy:

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

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

26. Directors and Key Managerial Personnel:

During the year under review there are no changes in Directors and Key Managerial Personnel of the Company. Details of Directors, Key Managerial Personnel and Composition of various Committees of the Board are provided in the Corporate Governance Report forming part of this report.

In accordance with the provisions of the Companies Act, 2013 read with Article 164 of the Articles of Association of the Company, Mr. Tarak Mehta (DIN: 06995639), Director, retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

Necessary resolution relating to Director who is seeking re-appointment is included in the Notice of Annual General Meeting. The relevant details of the said Director is given in the annexure to the Notice of the Annual General Meeting.

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

27. Deposits:

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

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

There has been no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations. All orders received by the Company during the year are of routine in nature which have no significant / material impact.

29. Internal Control Systems and their adequacy:

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

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. As required under law, an Internal Compliance Committee has been constituted for reporting and conducting inquiry in to the complaints made by the victim on the harassments at the work place. During the year 2016, no complaint of sexual harassment has been received.

31. Statutory Auditors:

Messrs S R BATLIBOI & ASSOCIATES LLP, Chartered Accountants (Firm Registration No. 101049W/ E300004), Statutory Auditors of the Company would retire on the conclusion of this Annual General Meeting on completion of their term of appointment.

Since Messrs S R BATLIBOI & ASSOCIATES LLP, Chartered Accountants are not eligible for re-appointment as Statutory Auditors of the Company as per Companies Act, 2013, the Board of Directors on recommendation of the Audit Committee, recommended the appointment of Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W-100022) as Statutory Auditors of the Company for a term of 5 years, in place of Messrs S R BATLIBOI & ASSOCIATES LLP to hold office from the conclusion of 67th Annual General Meeting until the conclusion of 72nd Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting. Consent and certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if appointed at ensuing Annual General Meeting, would be according to the terms and conditions prescribed under Section 139 of the Act and Rules framed thereunder.

A resolution seeking their appointment forms part of the Notice convening the 67th Annual General Meeting and the same is recommended for your consideration and approval.

32. Cost Auditor:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Board of Directors, on the recommendation of the Audit Committee, have appointed Ashwin Solanki & Associates, Cost Accountant (Registration No: 100392) as Cost Auditor of the Company, for the financial year ending December 31, 2017, on a remuneration as mentioned in the Notice convening the 67th Annual General Meeting for conducting the audit of the cost records maintained by the Company.

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

A resolution seeking Member's ratification for remuneration payable to Cost Auditor forms part of the Notice of the 67th Annual General Meeting of the Company and same is recommended for your consideration and ratification.

Cost Audit and Compliance reports for the year 2015 were not mandatory.

33. Acknowledgements:

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

For and on behalf of the Board

Frank Duggan
Chairman
DIN: 02937233

Place: Mumbai
Date: March 23, 2017

Annexure – A to Directors' Report

Management's Discussions and Analysis

Economic and market overview

In 2016 India's growth story was restrained with dispersed outcomes in the shadow of several geopolitical occurrences like various international elections, Brexit, continuing uncertainty in the Middle East and the watershed moment in domestic policymaking with demonetization initiatives. While the growth in 2016 was marginally lower than China, it was more positive than other nations like Mexico and Brazil.

The year started with encouraging signs of growth in the country. Favorable government policies and continued public spending led to performance improvement in core sectors such as cement and steel as well as electricity. Also, the FDI inflows improved from the previous year. Sectors like renewable energy and the government push in transportation resulted in some traction. However, the Index of Industrial Production (IIP) growth slowed, dragged by the capital goods sector, which was down through the year. In the last quarter of 2016, the government passed the landmark Goods and Services Tax (GST) Bill aimed at simplifying the goods tax structure by bringing it into a centralized system. The US Federal Reserve retained the December 2015 rates for almost an entire year and revisited them only in December 2016.

The second half of the year proved to be quite different from the first. The capital goods output continued to contract despite various reforms. Food prices remained on the lower end pressuring the CPI to a two-year low. These factors pulled the industrial output down into the negative zone, and the continuing increase in imports further widened the trade deficit. The global dynamics and domestic events described earlier also added to the uncertainty.

Though the Indian currency appreciated marginally against EUR, it fell to 70 to a USD touching the lowest ever since 2013, as investors queued up for dollar-based assets in light of the US election results. However, it still remained stronger than other Asian currencies. Within India, the drive to purge unaccounted funds (black money) led to the removal of around 86% of the currency from circulation. The short-term impact of the move was a reduction in consumer spends and is expected to impact the GDP. Positively, banks had higher deposit and liquidity, there is also greater push for digitization of transactions, and the retail and food inflation fell to 2.11 percent towards the end of the year.

Overall, owing to the movement in the economy and the seasonal slowdown, the order size and volume of existing and new projects during this year remained subdued than the previous year.

Operational Overview

The Company has been closely tuned to market changes, which has helped it steer through the year smoothly despite the unexpected fluctuations in the macro economy. The Company strategically planned at improving the operational efficiency, executing orders, and stabilizing the cost structure to shield from external fluctuations. As a result of this pursuit, the Company was cash positive right at the start of the year and continued this momentum in the succeeding quarters.

Investments towards localizing and product engineering, increasing operational efficiency, shifting the product mix across business divisions and magnifying value to our customers led to benefits including margin improvement. The Company doubled the capacity of the solar inverter factory in Bengaluru, aligning it well to partner in the country's vision of 100 GW solar power generation capacity by 2022, providing the Company with an edge to serve the market segment when the opportunity comes.

During the year, the Company announced two key strategic global partnerships. One with Microsoft, which will be a digital industrial transformation partner for ABB globally. ABB and Microsoft will collaborate to build a platform for digitalization. As one of the key Group-level strategies, the Company is building its portfolio around digitalization driving futuristic industrial solutions for customers. The other with Indian Institute of Technology, Madras (IIT-M) , wherein the Company and IIT-M have signed a Memorandum of Understanding (MoU) for the development of microgrids and battery storage.

During the year, orders grew at ₹ 12,466 crore as against ₹ 8,100 crore in the previous year reflecting the technology push in the transmission business and the continued traction in transportation and renewable energy. Services and export-led orders resulted in more comprehensive customer engagements.

The revenue for 2016 improved to ₹ 8,648 crore as against ₹ 8,140 crore in 2015, reflecting the stability of operations in an uncertain market. The order backlog at the end of the year was at ₹ 11,821 crore, providing visibility to the future revenue streams.

Profit before tax grew substantially to ₹ 576 crore in 2016 as compared to ₹ 475 crore in the previous year mainly due to higher operational efficiency, lower material cost and investments towards entering newer markets. Profit after tax posted a growth of 25 percent at ₹ 376 crore for the current year as compared to ₹ 300 crore in the previous year. Consequently, the earnings per share for 2016 stood at ₹ 17.76 per share as compared to ₹ 14.15 in 2015.

Services

In pursuit of delivering world-class customer experience, ABB has always focused on offering value-based engagement and putting the customer first. This relentless approach helped the Company achieve double-digit growth in service operations, which, on an average, accounted for a substantial part of the order dimension. Going beyond the conventional approach of transactional business relationship for spare parts and field services, the Company adopted the RAS (Reliability, Availability & Safety) based approach with customized solutions and reconnected with the existing installed base to meet customers' requirements in optimizing and managing their assets. Apart from the portfolio of energy efficiency and power quality, retrofit and debottlenecking services, equipment performance management (EPM) and personnel training, the Company is including some futuristic offerings in its portfolio like cyber security, data analytics, and remote monitoring, leading to clear technical differentiation and unlocking the full potential of our services offering.

During the year, marquee customers including Adani Group, International Paper, Kansai Nerolac Paints, Biocon Limited, etc., recognized the Company for its service commitment and Power Grid Corporation of India (PGCIL), Jindal Steel Works (JSW) Group, Oil and Natural Gas Corporation Limited (ONGC), Steel Authority of India Limited (SAIL), UltraTech Cement, Indian Oil, National Thermal Power Corporation (NTPC), Indian Railways, and Deccan Chemicals, extended their service engagement with the Company.

Exports

Despite slow movement in large orders, ABB India's exports grew over the last year. Base orders were more than 80 percent of total exports in 2016 and increased by 10 percent over last year. Strong team effort saw significant success for products like transformers, high voltage circuit breakers, rectifiers and LV motors, and for systems in Process Industries and Oil and Gas business units.

2016 saw exports creating new footprints in Africa while consolidating and expanding in the Middle East. While there were some repeat orders for transformers in Ethiopia, the Company received significant orders from Dubai and South Africa for LV motors and for rectifiers from Indonesia. Process Automation bagged cement plant projects in Bahrain and Uganda, while Oil and Gas business unit won orders in the UAE.

Operational excellence

2016 was the third year of ABB's transformational journey to achieving operational excellence and becoming the partner of choice in its industry segments. ABB's Next Level Strategy aimed at profitable growth, relentless execution, and business-led collaboration. In an extension of the strategy, the Company adopted various operational excellence initiatives across people and processes to provide a stronger positioning in uncertain markets. This was a multi-pronged approach towards productivity improvement, people management, localization and cost management.

Outlook

In 2017, global growth is likely to remain modest, plagued by various global political uncertainties, with the energy and the fourth industrial revolution providing opportunities and challenges in equal measure. Initial estimates have downgraded growth prospects in India due to the short-term impact of invalidating high-value currencies. However, in the coming year, some projects announcements might be forthcoming from government spending towards technology upgradation and modernization of the existing infrastructure in Railways, Ports and Metro, and reformative programs under the government initiatives of Digital India, Smart Cities and Make in India.

Technology push in power transmission and distribution and advanced manufacturing could be the other bright spots. Investments in the private sector are expected to be subdued in the first half of the year owing to the deferral in consumption and an ensuing lag in capacity utilization. However, the Company enjoys a vast installed base in the country and continues to mine these accounts for deeper penetration and high-value engagement. Over the coming years, the Company will assess and partner in establishing the next level in Indian industries and utilities through automation and digitalization, working closely with customers to deploy solutions that best fit local needs.

Despite the slowdown, there may appear to be a fair number of projects in the market, and the Company will exercise its choice with caution and proceed with discretion and due diligence in terms of credit availability (cash over revenue), scope, and safety of the employees while strengthening order books. The Company will continue to relentlessly work towards driving operational excellence and adopting innovations. As India takes strides towards a clean energy future, the Company is well positioned to partner with technology and solutions to decouple growth from carbon emissions.

Power Grids

Summarized performance:

(₹ in crore)

Particulars	2016	2015
Orders	**7,369**	3,210
Order Backlog	**8,494**	4,543
Revenue	**3,528**	3,533
Results	**175**	216

The Power Grids division was formed to offer power and automation products, systems and services across the power value chain. In its first year of operation as a new division, the economic climate in the country remained mixed. Growth in capital expenditure was lower than expected despite growth in GDP and the overall economic environment. Sustained focus on profitable initiatives and emerging areas compensated for the slowdown across core sectors. The division secured notable rail, metro, renewables and power transmission orders.

Successful commissioning of a 1,200kV transformer and breakers at PGCIL's Bina substation show our strong commitment to innovation, consistent R&D investments, and leadership in technology. We also helped in restoring power in record time at the Sharavathy Hydel Power Plant, which had come to an abrupt halt due to a massive fire. The division sustained and enhanced its leadership position in 2016.

Major orders booked during 2016:

- Raigarh-Pugalur (RP800) 6,000 MW 800kV Multi Terminal UHVDC project
- Order to supply 1,600 traction transformers from Alstom Transport
- First digital substation order from Technopark, Kerala
- 765kV & 400kV Air Insulated Substation extensions at Vindhyachal, Dharamjaygarh, Champa, Raipur, Raigarh (Kotra) and Bilaspur: PGCIL
- 400kV Gas Insulated Substation extensions – Silchar and Misa projects for PGCIL
- Order for Reactors and Transformers from PGCIL for Parli and Bikaner transmission projects

Major orders successfully commissioned during 2016 included:

- 5 Air Insulated Substations for 648 MW solar project for Adani Solar at Kamuthi
- 400/220kV PTCUL Srinagar Air Insulated Substation across multiple levels in hilly terrain
- 765/400kV Champa Air Insulated Substation for PGCIL
- 400kV GIS Substation at Malerkottla for PGCIL
- 225/16.5 KV Air Insulated Substation project at Djibi, Ivory Coast
- 9 X 420kV and 9 X 245 kV GIS bays at Patran BOOT project of Techno Electric
- 26 X 245 kV GIS bays at Dahej and Hazira sites of Reliance
- 17 X 245kV and 16 X 72.5kV PASS bays at GETCO Gotri, Santej and Suva substations

Segment outlook

The renewables outlook looks brighter with a conducive policy environment. However, the pace at which projects are being commissioned is a matter of concern as the developers are facing various challenges in implementation.

The power sector is expected to perform well on the back of increasing foreign investment in the sector, policy liberalization and government initiatives like smart grid projects. Green Energy Corridor Projects are under various stages of implementation and are expected to bring in orders next year. Grid stability solutions like FACTS and HVDC continue to be the focus areas for the transmission and distribution sector and provide major opportunities. Metro Rail projects also continue to receive significance with over 20 projects in various stages of planning and ordering. With Tariff-Based Competitive Bidding (TBCB) route for transmission projects, we see price pressure and aggressive competition.

Overall, we expect the market to remain stable with demand led by government spending in power, railways and infrastructure sectors. CAPEX from industries could see a recovery in the later part of 2017.

Discrete Automation and Motion

Summarized performance:

(₹ in crore)

Particulars	2016	2015
Orders	**2,407**	2,306
Order Backlog	**1,902**	1,805
Revenue	**2,337**	2,062
Results	**222**	170

Looking at the de-growth in heavy industry, the division shifted its focus towards the light industry and increased its penetration in the food and beverage, HVAC and machinery sectors while continuing to grow in the solar and wind sectors. A new solar factory was inaugurated during the year, which doubles the capacity of solar inverters manufactured in India. The channel partner network continues to be a pillar of strength reaching far and wide in the country with ABB products. This has ensured a steady growth in short cycle orders and further penetration into Tier-II and Tier-III cities. The increase in revenue, localization, supply chain initiatives, strategic marketing moves and operational efficiencies resulted in improving the profitability. Commissioning of the largest single location solar power project at Kamuthi in Tamil Nadu was a landmark achievement for the division in 2016.

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

- New solar inverter factory to double capacity in Nelamangala, Bengaluru
- Smoke venting motor introduction in the market
- Improved design IE3 range of high-efficiency motors introduced

Significant orders received:

- Wind generators for Gamesa Renewables Pvt. Ltd. and Inox Wind Ltd.
- Solar inverters for Azure Power, Jakson Engineering, Renew Solar, Sterling Generators, Avengers Ray Solar, Orange Suvaan Energy, Tata Power Solar and Welspun Renewables
- Propulsion converters for Chittaranjan Locomotive Works
- Medium voltage drives for lift irrigation projects of Megha Engineering and Infrastructure and Navayuga Engineering Co. Ltd.
- Robotics for Ford India Pvt. Ltd., Royal Enfield, Suzuki Motors Gujarat Pvt. Ltd., Gestamp Automotive Chennai Pvt. Ltd.

Sector outlook

Competitors developing new domestic capacities are likely to pressure volume and price realizations. The tight liquidity in the market, especially faced by the small and medium size customers, and delay in project execution due to lack of cash or high cost of funds will continue to impact the orders. However, the ongoing strategic thrust on market penetration, channel partner initiatives, customer engagement coupled with capacity addition and range expansion will support growth momentum.

Electrification Products

Summarized performance:

(₹ in crore)

Particulars	2016	2015
Orders	**1,799**	1,657
Order Backlog	**795**	712
Revenue	**1,776**	1,651
Results	**246**	191

The division continued its growth trend in a challenging market while keeping its focus on continuous efforts in developing market share through customer-focused activities. It continues to extend its product offering with the addition of new products and strong sales channel management, leading to market penetration. The Division has grown across all channels and products on a continuous basis. Continued emphasis on local manufacturing is resulting in quicker market access and strong on-time delivery performance. Capacity utilization on some of the Division's lines has been at an all-time high. The launch of the XT range of MCCBs and their quick localization is an example of commitment to local manufacturing.

Multiple initiatives under 'ease of doing business and process' have been strengthened with teams focused on customer satisfaction delivery in logistics, quality and after sales warranty service.

Segment outlook

There was a mix of orders from industries that had a positive impact on demand for low voltage products, keeping the hope for market segments to start pulling together. Demand for energy efficient solutions, smart systems in infrastructure, and innovative product solutions in the renewables space are expected to increase demand. The market is moving towards better quality products with a good life-cycle requirement. The change in the market trend that started a couple of years back on type-tested boards is opening a distinct market for switchboard offering and is also increasing our engagement with integrators.

The focus remains strictly on the customer, providing them with the latest in technology and innovation through locally-produced products and solutions, with geographic and segment coverage. We expect the market to move positively towards growth with demand being driven by strong government spending in power, infrastructure, and transportation and the housing sector. Segments like water, datacenters, pharmaceuticals, hospitality, healthcare and food and beverage will continue to be at the core of the division's efforts for generating stronger growth.

Process Automation

Summarized performance:

(₹ in crore)

Particulars	2016	2015
Orders	**1,216**	1,232
Order backlog	**986**	1,077
Revenue	**1,326**	1,337
Results	**154**	150

The segment witnessed a healthy service business on account of a greater focus on leveraging the installed base. Despite a severe negative sentiment in the oil and gas business, significant orders were booked in mid- and down-stream sectors. The turbocharger business saw a huge jump in component export. Significant orders were won in the hydro power and renewables sector in the area of automation and ABB is now a major player in the renewables market. The segment actively focused on developing solutions and increasing presence in the IoT space for the core sectors. Implementation of the Plant Control Center solution for one of the largest steel producers in the country paves the way for the company

to establish itself as a significant player in the IoT space. Thrust on exports in the core sector to Africa was a huge focus area with some early wins.

The segment introduced electromagnetic flowmeter with a flangeless design for the water segment.

Significant orders received in 2016 included:

- Secured major market share in ALCO 3300HP turbochargers (TPR61)
- Integrated 800xA DCS for LNG Regasification - first installation for ABB in India and the country's first integrated process, power and safety solution
- Major multi-site win for an upgrade of complete control system across nine locations for Ultratech Cement.
- First direct cement order from Tororo in Uganda for automation and electricals
- First order in the African market for an Oil and Gas corporation for Oil (Electricals and Telecom) receiving terminal
- 173 new Turbochargers supplied to Indian Railways in 2016 taking the total installed base of 3000+ turbochargers in the company
- Breakthrough in CEMS orders for Reliance Jamnagar Complex
- Order for API and Bioreactor Plant Automation for Anthem Bio including mobility solutions
- First DCS and Coriolis mass flowmeter for alcohol blending for Pernod Ricard
- Smart Factory solutions for Britannia Industries Ltd. with single point real-time monitoring and control
- Composite order for DCS and Instrumentation from Berger Paints (Assam Project)

Major orders that were successfully commissioned in 2016:

- Automation for the world's largest single location PV plant –Adani Kamuthi 648MW project, Tamil Nadu.
- KPCL Hydro 10x108 MW order helped gain No.1 position in Hydro segment in Karnataka
- Plant Control Centre for JSW, Tornagulu, Karnataka – major reference in the IoT space
- State-of-the-art SCADA implementation for 1000 KM Multi oil pipeline for Indian Oil (Paradeep-Raipur-Ranchi)
- Asian Paints (4 sites) - automation including MES & EMS

Segment outlook

The segment will continue to focus on enhancing operational efficiencies including supply chain management and engineering to remain competitive. Focus on value-add solutions in addition to traditional automation offerings including IoT will help improve the topline. However, topline growth from the core sector is likely to be dormant until end of the year and subjective to the pace of policy implementation and execution. Investments will be triggered in the oil and gas sector with Euro-6 norms being implemented. Also, with a significant focus and commitment of the Government on clean energy as part of the 20020 vision, investments are likely to be seen in LPG import terminals and LNG re-gasification. The water and power segment including renewables will significantly drive growth for the segment. Focus on the F&B and Pharma will ensure penetration in the growing markets.

Human Resources

The people strategy was aligned with the Company's overall ambition to accelerate sustainable value creation. This required providing a stable work environment in an uncertain market and maximizing the potential of the workforce. Through its evolving employee-friendly policies and processes, the Company's Human Resources encouraged and demonstrated dynamism and openness towards change. The Company made strategic decisions in key Human Resources areas that have enabled growth and resulted in a performance-driven year.

During the year, ABB consistently set a clear path to learn and adapt to perform better in a volatile market situation with its enhanced performance management and talent strategy, focusing on building a healthy pipeline by attracting, assessing and developing quality talent. In addition, persistent attention to providing an inclusive environment to promote diversity in gender, age and culture, including opportunities for global mobility, also form a part of the proactive plan to manage talent in the key function areas. The new ABB Competency Model, aligned with the business strategy, helps the Company realize its full potential, individually and as an organization.

As a part of the next level strategy, in 2016, the Company's Human Resources also made great strides in establishing a world-class Global Business Services (GBS) organization and Centers of Excellence (CoE) in India. These centers will help to keep the focus on driving optimization and productivity, while preserving a service mindset and making the Company faster, more agile, customer-focused, and ultimately, strengthen its position as a preferred employer in a rapidly evolving market.

Industrial relations remained cordial and harmonious across all manufacturing locations. At the close of the year, the company had 5,603 permanent employees, as against 5,839 in the previous year.

Finance

Despite the significant cut in the interest rates by the RBI, liquidity in the market remained tight. In addition to limited funding, existing capacity glut translated to even lesser investment by industries in greenfield and brownfield projects. Due to the issue of non-convertible debentures of ₹ 600 crore last year, the Company lowered the cost of finance for a part of its debt. In addition, the

Company's reputation in the market and long-term goodwill with leading banks ensured advantageous arrangements of various finance facilities. In 2016, the interest cost borne by the Company was ₹ 85 crore compared to ₹ 91 crore in 2015. As of December 31, 2016, the Company's had net cash balance of ₹ 589 crore. In terms of foreign currency exposure – for imports and exports – the Company continued to conservatively hedge at the point of commitment to protecting the contract margins.

Internal control systems

Internal Controls in the Company have been designed to further the interest of all its stakeholders by providing an environment, which is conducive to conduct its operations. In doing so, the Company's Internal Control environment has evolved over a decade to take care of, inter alia, financial and operational risks. The department owns a holistic Internal Control framework comprising of elements like Country Management Committee, Group Directives and Instructions, Local Management Instructions, Process and Entity Level controls, Enterprise Risk Management, Local Direct Management Testing Programs, and a strong emphasis on integrity and ethics as a part of work culture. An independent service provider, having expertise in the field, has performed current year's Internal Financial Control effectiveness testing. A well-organized Group level tool (GRCM) is available to handle testing, Internal Audit Issues, deficiency tracking, etc. Further, the in-house independent Internal Audit team acts as a pillar to support our control objectives. ABB India also has a well-functioning Whistle Blower Policy in place to report any misdoing. Internal Control framework of ABB India is aligned with one of the most matured IC frameworks – COSO 1992, and then transitioned to COSO 2013. As per requirement of The Companies Act, 2013, the Company got an independent evaluation of Internal Financial Control (IFC) resulting in minor updates to the control environment during the year.

Risk management

The Company has a Risk Management Charter and Policy, which provides an overall framework for Risk Management (RM) in the Company. The Risk Management Committee assists the Board in risk assessment, formulation and implementation of guidelines, management of key risks, risk minimization procedures and periodical review.

The key elements of the company's risk management framework have been captured in the risk management policy, which details the process for identifying, escalating, prioritizing, mitigating and monitoring key risk events and action plans. The assessment of the risks covers areas of Strategy, Technology, Finance, Operations and Systems, Legal & Regulatory and Human Resources Risks. There are appropriate assurance and monitoring mechanisms in place to monitor the effectiveness of the risk management framework including the mitigation plans identified by the management for key risks identified through the risk management exercise. The risk management committee also periodically evaluates the effectiveness of the risk management framework and systems.

The Company's existing framework provides for risk reviews at various levels based on company's organizational structure matrix. Periodic assessment of risks, potential impact relating to business growth, profitability, talent engagement, and market position are conducted. Response to key operational risks, based on inputs received from the internal and external assessment, internal audit, performance review etc. are done on a regular basis. The outcome of business review meetings regarding processes and their compliance, as well as observations of the Risk Management Committee and the Board of Directors are continuously incorporated into Risk Management Framework.

Division realignment

Further to the division segmentation declared early this year, the Company has announced some repositioning of certain local business units and renamed some of the existing units to address their respective market segments. Starting January 1, 2017, the Discrete Automation and Motion division is called Robotics and Motion. It will focus on the future of productivity specific to Robotics in the manufacturing sector. The Process Automation division has been renamed Industrial Automation. The Power Grids and Electrification Products divisions, retain their name, the latter will see a portfolio expansion with the inclusion of electric vehicle charging, solar and power quality businesses in the division.

For and on behalf of the Board

Frank Duggan
Chairman
DIN: 02937233

Place: Mumbai
Date: March 23, 2017

Annexure - B to Directors' Report

Form No. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014] Extract of Annual Return

As on the financial year ended on 31.12.2016

I. REGISTRATION AND OTHER DETAILS:

Sl. No.	Particulars	Details
i.	CIN	L32202KA1949PLC032923
ii.	Registration Date	24.12.1949
iii.	Name of the Company	ABB India Limited
iv.	Category / Sub-Category of the Company	Public Company, Limited by Shares
v.	Address of the Registered office and contact details	21st Floor, Word Trade Center, Brigade Gateway, No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru 560 055 Phone: +91 80-22949150 to 22949153 Fax: +91 80-22949148
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Share Transfer Agents, if any	Karvy Computershare Private Limited 46, Avenue, 4th Street, No.1, Banjara Hills, Hyderabad – 500 034. Phone: 1800 3454 001 / 040 6716 2222 Fax: 040 – 2342 0814 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus	271	78
2	Manufacture of other electrical equipment	279	14

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	ABB Asea Brown Boveri Limited Affolternstrasse 44 P.O. Box 8131 CH-8050, Zurich, Switzerland	NA	Holding	69.08	2(46)

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

i. Category-wise Share Holding:

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individual / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1):	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Foreign									
(a)	Individuals (NRIs / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	158931281	0	158931281	75.00	158931281	0	158931281	75.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2):	158931281	0	158931281	75.00	158931281	0	158931281	75.00	0.00
	Total A=A(1)+A(2):	158931281	0	158931281	75.00	158931281	0	158931281	75.00	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	4948678	0	4948678	2.34	5704547	0	5704547	2.69	-0.36
(b)	Financial Institutions / Banks	21220712	7200	21227912	10.02	20885528	7200	20892728	9.86	0.16
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	9253366	1305	9254671	4.37	9263312	1305	9264617	4.37	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1):	35422756	8505	35431261	16.72	35853387	8505	35861892	16.92	-0.20
(2)	Non-Institutions									
(a)	Bodies Corporate	2063129	21294	2084423	0.98	1757718	20379	1778097	0.84	0.14
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	12185182	2774800	14959982	7.06	12136206	2659602	14795808	6.98	0.08
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	165720	0	165720	0.08	165720	0	165720	0.08	0.00
(c)	Others									
	Clearing Members	13560	0	13560	0.01	18330	0	18330	0.01	0.00
	Foreign Nationals	0	705	705	0.00	0	705	705	0.00	0.00
	Non Resident Indians	281697	440	282137	0.13	149219	440	149659	0.07	0.06
	NRI Non-Repatriation	18735	0	18735	0.01	188451	0	188451	0.09	-0.08
	NRI Repatriation	8369	3415	11784	0.01	5385	3265	8650	0.00	0.00
	Trusts	2907	5880	8787	0.00	3902	5880	9782	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2):	14739299	2806534	17545833	8.28	14424931	2690271	17115202	8.08	0.20
	Total B=B(1)+B(2):	50162055	2815039	52977094	25.00	50278318	2698776	52977094	25.00	0.00
	Total (A+B):	209093336	2815039	211908375	100.00	209209599	2698776	211908375	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C):	209093336	2815039	211908375	100.00	209209599	2698776	211908375	100.00	0.00

ii. Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	ABB Asea Brown Boveri Ltd	146390951	69.08	0	146390951	69.08	0	0
2.	ABB Norden Holding AB	12540330	5.92	0	12540330	5.92	0	0
	Total	**158931281**	**75.00**	**0**	**158931281**	**75.00**	**0**	**0**

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

There was no change in the Promoters' shareholding during the Financial Year 2016.

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

Sl. No.	Date	Type	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	Name: Life Insurance Corporation of India					
	01/01/2016	Opening Balance	17560357	8.29		
	22/07/2016	Sale	-12309	0.01	17548048	8.28
	29/07/2016	Sale	-52744	0.02	17495304	8.26
	05/08/2016	Sale	-11418	0.01	17483886	8.25
	12/08/2016	Sale	-7369	0.00	17476517	8.25
	14/10/2016	Sale	-43450	0.02	17433067	8.23
	21/10/2016	Sale	-77603	0.04	17355464	8.19
	28/10/2016	Sale	-13167	0.01	17342297	8.18
	31/12/2016	Closing Balance			17342297	8.18
2	Name: Aberdeen Global Indian Equity Limited					
	01/01/2016	Opening Balance	3700000	1.75		
	10/06/2016	Sale	-188266	0.09	3511734	1.66
	17/06/2016	Sale	-31734	0.01	3480000	1.64
	19/08/2016	Sale	-11955	0.01	3468045	1.64
	26/08/2016	Sale	-12870	0.01	3455175	1.63
	02/09/2016	Sale	-16066	0.01	3439109	1.62
	09/09/2016	Sale	-107012	0.05	3332097	1.57
	16/09/2016	Sale	-30345	0.01	3301752	1.56
	23/09/2016	Sale	-27547	0.01	3274205	1.55
	30/09/2016	Sale	-8588	0.00	3265617	1.54
	07/10/2016	Sale	-26923	0.01	3238694	1.53
	14/10/2016	Sale	-3145	0.00	3235549	1.53
	21/10/2016	Sale	-4286	0.00	3231263	1.52
	18/11/2016	Sale	-5393	0.00	3225870	1.52
	31/12/2016	Closing Balance			3225870	1.52
3	Name: HDFC Trustee Company Limited - HDFC Top 200 Fund					
	01/01/2016	Opening Balance	1754200	0.83		
	05/02/2016	Purchase	100000	0.05	1854200	0.88
	12/02/2016	Purchase	100000	0.05	1954200	0.92
	16/09/2016	Purchase	50000	0.02	2004200	0.95
	14/10/2016	Purchase	38500	0.02	2042700	0.96
	21/10/2016	Purchase	12500	0.01	2055200	0.97
	31/12/2016	Closing Balance			2055200	0.97
4	Name: Life Insurance Corporation of India P & GS Fund					
	01/01/2016	Opening Balance	1225192	0.58		
	22/07/2016	Sale	-14215	-0.01	1210977	0.57
	29/07/2016	Sale	-31674	-0.01	1179303	0.56
	05/08/2016	Sale	-2235	0.00	1177068	0.56
	12/08/2016	Sale	-7000	0.00	1170068	0.55
	31/12/2016	Closing Balance			1170068	0.55

Sl. No.	Date	Type	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
5	Name: General Insurance Corporation of India					
	01/01/2016	Opening Balance	1157387	0.55		
	20/05/2016	Sale	-11334	-0.01	1146053	0.54
	03/06/2016	Sale	-5000	0.00	1141053	0.54
	31/12/2016	Closing Balance			1141053	0.54
6	Name: Vanguard Emerging Markets Stock Index Fund A Series of Vanguard International Equity Index Fund					
	01/01/2016	Opening Balance	862316	0.41		
	15/01/2016	Sale	-5831	0.00	856485	0.40
	22/01/2016	Sale	-3048	0.00	853437	0.40
	05/02/2016	Sale	-10200	0.00	843237	0.40
	12/02/2016	Sale	-3920	0.00	839317	0.40
	26/02/2016	Sale	-6998	0.00	832319	0.39
	04/03/2016	Sale	-10636	-0.01	821683	0.39
	11/03/2016	Purchase	2220	0.00	823903	0.39
	18/03/2016	Sale	-2982	0.00	820921	0.39
	25/03/2016	Sale	-5821	0.00	815100	0.38
	08/04/2016	Purchase	3416	0.00	818516	0.39
	22/04/2016	Purchase	1665	0.00	820181	0.39
	10/06/2016	Purchase	2484	0.00	822665	0.39
	24/06/2016	Purchase	9152	0.00	831817	0.39
	22/07/2016	Purchase	1872	0.00	833689	0.39
	29/07/2016	Purchase	5646	0.00	839335	0.40
	05/08/2016	Purchase	4515	0.00	843850	0.40
	12/08/2016	Purchase	4680	0.00	848530	0.40
	19/08/2016	Purchase	6058	0.00	854588	0.40
	09/09/2016	Purchase	2940	0.00	857528	0.40
	07/10/2016	Purchase	3136	0.00	860664	0.41
	14/10/2016	Purchase	2156	0.00	862820	0.41
	21/10/2016	Purchase	7350	0.00	870170	0.41
	28/10/2016	Purchase	2940	0.00	873110	0.41
	11/11/2016	Purchase	6370	0.00	879480	0.42
	25/11/2016	Purchase	7742	0.00	887222	0.42
	02/12/2016	Purchase	4410	0.00	891632	0.42
	31/12/2016	Closing Balance			891632	0.42
7	Name: Reliance Capital Trustee Co. Ltd. - A/C Reliance Tax Saver (ELSS) Fund					
	01/01/2016	Opening Balance	702000	0.33		
	08/04/2016	Purchase	12316	0.01	714316	0.34
	17/06/2016	Purchase	5000	0.00	719316	0.34
	30/06/2016	Purchase	36684	0.02	756000	0.36
	09/09/2016	Purchase	81000	0.04	837000	0.39
	16/09/2016	Purchase	42747	0.02	879747	0.42
	23/09/2016	Purchase	20253	0.01	900000	0.42
	30/09/2016	Purchase	40574	0.02	940574	0.44
	07/10/2016	Purchase	43602	0.02	984176	0.46
	14/10/2016	Purchase	50824	0.02	1035000	0.49
	21/10/2016	Purchase	153000	0.07	1188000	0.56
	28/10/2016	Purchase	9000	0.00	1197000	0.56
	04/11/2016	Purchase	86739	0.04	1283739	0.61
	11/11/2016	Purchase	57477	0.03	1341216	0.63
	18/11/2016	Purchase	90828	0.04	1432044	0.68
	25/11/2016	Purchase	7956	0.00	1440000	0.68
	31/12/2016	Closing Balance			1440000	0.68

Sl. No.	Date	Type	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
8	Name: National Insurance Company Ltd					
	01/01/2016	Opening Balance	664070	0.31		
	05/02/2016	Sale	-15000	-0.01	649070	0.31
	12/02/2016	Sale	-5000	0.00	644070	0.30
	24/06/2016	Sale	-10000	0.00	634070	0.30
	08/07/2016	Sale	-11163	-0.01	622907	0.29
	15/07/2016	Sale	-38837	-0.02	584070	0.28
	31/12/2016	Closing Balance			584070	0.28
9	Name: Reliance Capital Trustee Company Limited A/C Reliance Vision Fund					
	01/01/2016	Opening Balance	644789	0.30		
	12/02/2016	Purchase	21211	0.01	666000	0.31
	11/03/2016	Purchase	15939	0.01	681939	0.32
	29/04/2016	Sale	-681939	-0.32	0	0.00
	31/12/2016	Closing Balance			0	0.00
10	Name: Abu Dhabi Investment Authority - Jhelum					
	01/01/2016	Opening Balance			541367	0.26
	31/12/2016	Closing Balance			541367	0.26

v. Shareholding of Directors and Key Managerial Personnel:

Sl No	Name of the Director/ Key Managerial Personnel	Date	Remarks	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Darius E. Udwadia	01.01.2016	At the beginning of the year	3500	0.002		
		31.12.2016	At the end of the year	3500	0.002	3500	0.002

Note: None of other Directors and Key Managerial Personnel of the Company hold equity shares of the Company in Financial Year 2016.

V. INDEBTEDNESS:

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

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	**NIL**	**600.00**	**NIL**	**600.00**
ii) Interest due but not paid	**NIL**	**Nil**	**NIL**	**Nil**
iii) Interest accrued but not due	**NIL**	**3.56**	**NIL**	**3.56**
Total (i+ii+iii)	**NIL**	**603.56**	**NIL**	**603.56**
Change in Indebtedness during the financial year				
- Addition	**NIL**	**24.74**	**NIL**	**24.74**
- Reduction	**NIL**	**25.13**	**NIL**	**25.13**
Net Change	**NIL**	**(0.39)**	**NIL**	**(0.39)**
Indebtedness at the end of the financial year				
i) Principal Amount	**NIL**	**600.04**	**NIL**	**600.04**
ii) Interest due but not paid	**NIL**	**NIL**	**NIL**	**NIL**
iii) Interest accrued but not due	**NIL**	**3.13**	**NIL**	**3.13**
Total (i+ii+iii)	**NIL**	**603.17**	**NIL**	**603.17**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl No	Particulars of Remuneration	Name of MD/~~WTD/ Manager~~
1.	Name:	Mr. Sanjeev Sharma
2.	Gross salary:	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,22,66,218
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	48,96,743
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
3.	Stock Option	-
4.	Sweat Equity	-
5.	Commission - as % of profit - others, specify…	 - -
6.	Others (premium for Group Term Life Insurance, Group Personnel Accident Insurance, Mediclaim, PF Company contribution and Meal voucher)	28,33,966
7.	Total (A)	3,99,96,927
	Ceiling as per the Act	28,02,71,300

B. Remuneration to other Directors:

(Amount in ₹)

Sl No	Particulars of Remuneration	Name of Independent Directors			Total
1.	Name	Mr. Nasser Munjee	Mr. Darius E. Udwadia	Mrs. Renu Sud Karnad	
2.	Fee for attending Board / Committee meetings	1,80,000	2,00,000	2,10,000	
3.	Commission*	21,67,857	27,42,857	32,57,143	
4.	Others, please specify	-	-	-	
	Total(1)	23,47,857	29,42,857	34,67,143	87,57,857
		Name of Other Non-Executive Directors			
1.	Name	Mr. Frank Duggan	Mr. Tarak Mehta		
2.	Fee for attending Board / Committee meetings	-	-	-	
3.	Commission*	-	-	-	
4.	Others, please specify	-	-	-	
	Total(2)	-	-	-	
	Total (B)=(1+2)	23,47,857	29,42,857	34,67,143	87,57,857
	Total Managerial Remuneration (A + B) **				4,81,64,784
	Overall Ceiling as per the Act				61,65,96,860

* Commission for the year 2015 paid in the year 2016

** Exclusive of sitting fee paid to Independent Directors

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

(Amount in ₹)

Sl No	Particulars of Remuneration	Key Managerial Personnel		Total
1.	Name and Designation	Mr. B. Gururaj (Company Secretary)	Mr. T K Sridhar (CFO)	
2.	Gross salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	92,70,877	1,02,33,891	1,95,04,768
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	39,600	39,600	79,200
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
3.	Stock Option	-	-	-
4.	Sweat Equity	-	-	-
5.	Commission - as % of profit - others, specify	 - -	 - -	 - -
6.	Others (premium for Group Term Life Insurance, Group Personnel Accident Insurance, Mediclaim, PF Company contribution and Meal voucher)	8,72,573	10,12,581	18,85,154
	Total (C)	**1,01,83,050**	**1,12,86,072**	**2,14,69,122**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Frank Duggan
Chairman
DIN: 02937233

Place: Mumbai
Date: March 23, 2017

Annexure - C to Directors' Report

Statement of Disclosure of Remuneration

The information relating to remuneration of Directors / Key Managerial Personnel as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2016, the percentage increase in remuneration of Chief Executive Officer (MD), Chief Financial Officer and Company Secretary during the Financial Year 2016.

Sl No	Name of the Director / Key Managerial Personnel	Designation	Ratio of Remuneration of each Director to median remuneration of employees	Percentage increase in Remuneration
1.	Mr. Sanjeev Sharma (refer note c)	Managing Director	46:1	NA
2.	Mr. T. K. Sridhar	Chief Financial Officer	13:1	20.00%
3.	Mr. B. Gururaj	Company Secretary	12:1	7.99%

Notes:

a) Percentage of increase in remuneration is effective March 1, 2016.

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

c) Appointed as the Managing Director effective January 1, 2016.

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

3. Number of permanent employees on rolls of the Company as on December 31, 2016: 5,603

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

   As per Company's increment guidelines.

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

For and on behalf of the Board

Frank Duggan
Chairman
DIN: 02937233

Place: Mumbai
Date: March 23, 2017

Annexure - D to Directors' Report

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

Pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

A. Conservation of energy

1. Steps taken or impact on conservation of energy:

- Installation of timer based system for lighting in all substation building to reduce the usage of light in day time which has resulted in energy saving in terms of power and reduction in maintenance cost.
- Replacement of old air ambiator system in HV machine by new energy efficient air ambiator system which has resulted in energy saving due to reduction in motor capacity from 16 KW to 11.5 KW.
- Replacement of old conventional type lighting fixtures by energy efficient LED fixtures in substations washrooms, canteen, vehicle parking and street light. We are also ensuring LED light fixture in all upcoming new infrastructures.
- Power factor for the year 2016 was maintained at 0.996 by identifying and replacing faulty capacitors, periodic/ preventive maintenance of capacitor banks and installation of new capacitor bank at load centers.
- Replacement of high bay 400 W / 250 W Metal halide conventional light fixtures in SPT factory and Halol factory by energy efficient LED light fixtures which has resulted in increase in illumination level in factory area and reduction in maintenance cost as well as energy cost.
- Extending AC switches nearer to user area to enable them for switching off the AC units when not in use.
- The brine circulation pump in resin impregnation plant of WPG factory is replaced with new energy efficient pump.
- Introduction of timer circuits in bar bending machine to optimize operation in idle time.
- Replacement of Metal Halide high bay lights and CFL lights with LED Lights at motor shop, production office, canteen and warehouse at Faridabad facility.
- Installation of Variable Refrigerant Volume (VRV) systems fan to lower energy consumptions.
- Replacement of old CFL type lighting fixtures by energy efficient LED fixtures in discussion rooms, conference rooms, administrative building, training center and also at workshop of Grid Automation, LV Motors at Peenya facility
- Use of Automatic Power Factor correction unit to maintain power factor between 0.97 to 0.99, resulting in lower electricity consumption.
- Analyzed use of compressor & changed a scheme to use 100 CFM compressor.
- Arrested compressed air leakages and installed timer valve in apparatus shop
- Diesel consumption reduced by adopting desiccant dehumidifier technology.
- Modification in hot rinse bath tank to avoid evaporation of hot water leads for saving energy.
- Utilisation of STP treated water for gardening.
- AC and AV system settings done as per the ambient temp and load factor.

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

- Maximum usage of natural day light by introducing Transparent Polycarbonate sheets and Rock/Mineral Puff sheet for roof for the heat Insulation in roofs at our various workshops across locations.
- Utilisation of Solar Power to the possible extent (10kW) sink with LT Grid.
- Shop floor selected fixed glass windows converted to openable for fresh ventilation, it's reduce the power consumption at Nelamangala facility

3. The Capital Investment on energy conservation equipments:

- Installation of motion sensors in renovated washrooms, meeting rooms to control power consumption. Installation of timer based system for lighting in all substation building to reduce the usage of light in day time which has resulted in energy saving in terms of power and reduction in maintenance cost.
- Installation of ABB Make KNX motion sensor technology and inverter based Variable Refrigerant Flow (VRF) HVAC system for energy in our new offices.
- Installation of VFD with Paint booth Blower Motors at Faridabad facility.
- The Mysuru unit has setup a 66 kV line and captive sub-station to ensure uninterrupted power for its facility. Switching over from 11 kV to 66kV grid helps in reduction of fossil fuel consumption.
- Energy efficient motors installed in Breakers & Switches factory in Nelamangala.
- MVD testing feeder transfer to separate dedicated feeder in HT Yard.

B. Technology absorption

1. The efforts made towards technology absorption:

- Two New Product Ranges of Conventional Wiring Accessories developed locally (ADIYA & IVIE).
- OVR 27 – Outdoor Vacuum recloser 27 kV – an advanced feeder automation solution to overhead distribution system, developed in India and launched.
- 12kV, 25 kA Primary switchgear for distribution Type ZN1 along with its vacuum circuit breaker Type VInd 2000.
- OTDC Local Assembly.
- Distribution Boards (DB's), packaging improvement done to reduce the transit damages.
- Automation solution of SafeLink CB.
- VD4 – 12.08.20 redesigned for cost optimization.
- ZN1 Power cube modules together with VInd vacuum circuit breaker – a custom built direct use OEM solution.
- ZS2 Switchgear for outdoor.
- RIO600 1.7: New features- Multi frequency Admittance based Earth Fault protection.
- PCM600 2.8: New features - Ethernet Configuration Tool; Easy Goose tool.
- SATEEN 4.9: New features - Improvement related to OMICORN.
- Improvements to ramping, support to check time synchronization, read / control analog & binary statuses.
- FTP test steps update for Tiger relays, support in including SCD files for MAP of 670 relays; RTU – DUT support.
- 800kV Isolators.
- 170kV CVT.
- Mobile Capacitor Bank.
- Introduction of high efficiency conformance LV Motors of 71-132 IE2 series.
- 400-450 frame sizes IE2 and IE3 series.
- Smoke Extraction Motor frames 71-250 IE1, IE2, IE3.
- Wind generators with optimized material.
- Special variants in LV motors in frames 160-250 IE3.
- Design modification and component localization in Motors & Generators, LV Drives, Solar Inverters, Traction converters to suit local market needs.
- Propulsion converters for Indian Railways.
- High Voltage rib cooled motors.
- New Series of low voltage drives.
- Additional features to solar pump drives.
- OVR 38 outdoor vacuum re-closure 38kV.
- Single phase auto recloser (RER605) in collaboration with apparatus team for US market.
- PCM600 2.9 (to support 640 Relion series).
- Electromagnetic Flowmeter with flangeless design for water segment.
- Variable Turbine Geometry (VTG) technology based TPR61-AV10 Turbochargers for Diesel locomotives.
- Internet of things bundling with core sector offerings, metering skids, CPM Solutions.
- Improved version of STATCON.
- Grading Capacitors for breakers.
- Polymer insulator for Instrument transformers.
- Design improvement in ITs, Fiber optic communication products and PLCCs.
- Type test of IED 670s as part of Digital substation offerings.

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

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

3. Technologies imported during the last three years

• Combiflex, range of measurement relays	2014
• Combliflex Test switch RTXP	2014
• Adaptation of IE1,2 and IE3 design & Wind Generators	2014
• TTF200 a temperature transmitter	2014
• HART based Pressure transmitter PT266-L9	2014
• NXR Motors technology	2015
• IEC 61850 based GOOSE communication implementation for tele Protection with NSD 570	2015
• Relion 670 2.0 version	2015
• 36kV RMU (Safe Ring, Safe Plus) Structure	2015
• 145kV GIS	2015
• DC Capacitors	2015
• Active Harmonic filter	2015
• Tmax XT MCCB	2016
• OTDC Local assembly	2016
• 145kVGIS	2016
• New generation of LV ACS 880 Drives	2016

All technologies are fully absorbed.

4. The expenditure incurred on Research and Development:

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

C. Foreign exchange earnings and outgo

Total foreign exchange used and earned

		(₹ in Crores)
	2016	2015
(i) Foreign Exchange earned	**1,297.5**	1,066.2
(ii) Foreign exchange used	**2,975.3**	2,691.1

For and on behalf of the Board

Frank Duggan
Chairman
DIN: 02937233

Place: Mumbai
Date: March 23, 2017

Annexure - E to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

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

   CSR policy:

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

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

   ABB India Corporate Social Responsibility Policy:

   http://new.abb.com/indian-subcontinent/investors/corporate-governance/india-corporate-social-responsibility

   Some of key CSR projects of the Company in the year includes:
   - Development of a solar energy based Village Micro Grid (VMG) for rural electrification, for affordable and continuous power availability in a rural area in partnership with a premium research institution
   - Rural development by improving accessibility through road infrastructure
   - Contribution to mid-day meal scheme to select Govt schools in Karnataka and Gujarat
   - Promotion of primary education among children in select villages and impart skills training to women in Gujarat
   - Contribution towards running a special school to mainstream children with disability in Bengaluru

2. **Composition of the CSR Committee**

   Mrs. Renu Sud Karnad – Chairperson - Non-executive Director (Independent)
   Mr. Sanjeev Sharma – Member - Managing Director
   Mr. Tarak Mehta – Member - Non-executive Director

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

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

   Average net profit: ₹ 374.44 Crores

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

   The Company during the financial year 2016 is required to spend ₹ 7.49 Crore towards CSR.

5. Details of CSR spent during the financial year:

The Company is required to spend ₹ 7.49 Crore against which, the Company had spent ₹ 7.41 Crore on various CSR projects. Details of amount spent during the financial year are given below:

(Amount in ₹)

Sl No	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) State and District where Project or programs implemented	Amount Spent on the project or programs (1) Direct expenditure on Project or programs (2) Overheads	Cumulative Expenditure Upto Reporting period	Amount spent: Direct or through implementing Agency
1	Community greening -Tree plantation	Environmental sustainability	Maharashtra, Nashik	83,500	83,500	Direct implementation
2	Road safety programme at Company's supported Govt school	Promoting Education	Maharashtra, Nashik	9,306	9,305	Direct implementation
3	Improving energy efficiency - Replacement with energy efficiency lights at a NGO supporting destitute and orphans	Differently abled	Karnataka, Bengaluru	343,900	343,900	Direct implementation
4	Contributing to a multipurpose vehicle for a destitute home	Differently abled	Karnataka, Bengaluru	632,442	632,442	Direct implementation
5	Infrastructure upgradation at ABB supported Govt school	Promoting Education	Karnataka, Bengaluru	295,230	289,637	Direct implementation
6	Contribution to road safety awareness programs for school children	Promoting Education	Maharashtra, Nashik	2,500,000	2,500,000	Through implementing agency
7	Sponsoring mid-day meals for children of identified Government schools	Eradicating hunger and promoting education	Bengaluru, Karnataka, & Gujarat, Vadodara	9,949,750	9,949,750	Through implementing agency
8	Individual solar based home lighting system as a part of remote rural electrification	Rural development	Rajasthan, Barmer	2,210,000	2,210,000	Direct implementation
9	Water shed management in drought prone villages of Nashik	Rural development	Maharashtra, Nashik	3,100,315	3,100,315	Direct implementation
10	Contribution towards operative and post-operative care for 100 children with cleft lip and palate cases across chosen locations in India	Promoting Health Care Reducing child mortality and improving health	Gujarat (Ahmedabad, Surat), Maharashtra (Mumbai, Pune) and Karnataka (Bengaluru, Mysuru, Coorg and Mangaluru)	1,350,000	1,350,000	Through implementing agency
11	Improving the quality of education for around 100 primary and middle Govt schools covering around 9000 students from poor socioeconomic background in Nelamangala (Bengaluru)	Promoting education and rural development	Karnataka, Bengaluru,	1,227,941	1,227,941	Through implementing agency
12	Survey and design study for village road upgradation project	Needs assessment for rural development	Karnataka, Bengaluru,	126,500	115,500	Through implementing agency
13	Education programme for adolescent girls and boys for select village of Gujarat and vocational training and skill development program for women, Gujarat	Promoting education, vocational skills and rural development	Gujarat, Patan	3,600,000	3,600,000	Through implementing agency
14	Infrastructure upgradation at ABB supported Govt school	Promoting education	Karnataka, Bengaluru,	558,482	558,482	Direct implementation
15	Contribution towards running a special school to mainstream children with disability	Promoting education for differently abled	Karnataka, Bengaluru	2,592,831	2,592,831	Through implementing agency
16	Community needs assessment and village development plan at 2 select villages	Needs assessment for rural development	Karnataka, Mysuru, and Nelamangala	431,252	431,252	Through implementing agency
17	R&D cooperation through joint studies, projects in the area renewable energy and storage	Research and Development for sustainable development	Not Applicable	4,290,000	4,290,000	Direct implementation
18	Development of a solar energy based Village Micro Grid (VMG) for rural electrification, for affordable and continuous power availability in a rural area	Rural development	Jharkhand, Ranchi	3,000,000	3,000,000	Through implementing agency
19	Community health camp for local community	Preventive health care	Karnataka, Bengaluru	450,201	450,201	Through implementing agency
20	Road upgradation project for improving accessibility to villages	Rural development	Karnataka, Bengaluru	35,000,000	35,000,000	Direct implementation
21	Health awareness programme	Preventive health care	Maharashtra, Karnataka	2,300,000	2,300,000	Direct implementation
	Total				**74,051,650**	

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

During the year the Company has spent ₹ 7.41 Crores as against the requirement of ₹ 7.49 Crores. The Company was able to fulfil the substantial portion of the required expenditure. Further the Company is in the process of identifying needy beneficiaries / communities and also partnering with agencies for its various upcoming project implementation. Activities were taken up to the extent possible so that the Company achieves maximum contribution towards its social commitment.

7. Responsibility Statement by the Corporate Social Responsibility Committee:

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

Renu Sud Karnad	Sanjeev Sharma
Chairperson – CSR Committee	Managing Director
DIN: 00008064	DIN: 07362344

Place: Mumbai
Date: March 23, 2017

Annexure - G to Directors' Report

Report on Corporate Governance

1. Corporate Governance Philosophy

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

2. Board of Directors

The Board consists 6 Directors viz., three Independent and three Non-Independent, out of which, one Independent Director is a woman Director. Out of three Non-Independent Directors, one is a Managing Director, which is in conformity with the requirement of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Chairman of the Board is a Non-Executive and Non-Independent Director.

Except the Managing Director two other Non–Executive Non-Independent Directors are liable to retire by rotation. In the ensuing Annual General Meeting, a Non–Executive Non-Independent Director is getting re-appointed. There is no relationship between the Directors inter-se. All the Independent Directors are appointed for the period of five years i.e. up to May 5, 2020.

(i) Composition/ Category of Directors/ Attendance at Meetings/ Directorships and Committee Memberships in other companies as on December 31, 2016

Name	Category[1]	Attendance			Directorship in other Indian companies[2]	Committee Membership / Chairmanship in Public Companies[3]	
		Board meetings held during 2016	Board Meetings Attended	Last AGM attendance		Member	Chairman
Mr Frank Duggan (Chairman)	NED	4*	4	Yes	Nil	Nil	Nil
Mr Sanjeev Sharma[4]	MD		4	Yes	2	1	Nil
Mr Nasser Munjee	NED (I)		4	Yes	10	1	5
Mr Darius E. Udwadia	NED (I)		4	Yes	13	7	1
Mrs Renu Sud Karnad	NED (I)		2	No	10	6	1
Mr Tarak Mehta	NED		3	Yes	Nil	Nil	Nil

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

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

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

(4) Mr Sanjeev Sharma was appointed as the Managing Director w.e.f. 01.01.2016.

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

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

(ii) No. of Board Meetings held in the Financial Year 2016 and dates on which held

The Board has held four meetings during the Financial Year 2016 i.e., on February 4, April 25, July 21, and October 27, 2016.

In addition one meeting of Independent Directors was held on October 27, 2016.

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

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

Further it is informed that the familiarization programmes for Independent Directors as required under the Listing Regulations is being undertaken from time to time. Details of such programmes will be updated on the Company's website at www.abb.co.in.

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

(vi) During the year, a separate meeting of the Independent Directors was held on October 27, 2016, without the presence of Non-Executive Directors / Managing Director / Management to discuss the matter as required / agreed amongst them.

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

3. Audit Committee

(i) Terms of Reference

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

The terms of reference are briefly described below:

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

  a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub- section (5) of Section 134 of the Act;
  b) changes, if any, in accounting policies and practices and reasons for the same;
  c) major accounting entries involving estimates based on the exercise of judgment by management;
  d) significant adjustments made in the financial statements arising out of audit findings;
  e) compliance with listing and other legal requirements relating to financial statements;
  f) disclosure of any related party transactions; and
  g) qualifications in the draft audit report.

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

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

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

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

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

The Chairman of the Audit Committee was present at the last (66th) Annual General Meeting held on April 26, 2016.

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

The Audit Committee presently consists of four Non-Executive Directors, out of which three are Independent Directors. The Committee has held four meetings during the Financial Year 2016 i.e., on February 3, April 25, July 21 and October 27, 2016. The composition of the Audit Committee as on December 31, 2016 and the attendance of members at the meetings held during the Financial Year 2016 were as follows:

Members of the Committee	No. of meetings attended
Mr. Nasser Munjee (Chairman) (Independent Director)	4
Mr. Darius E. Udwadia (Independent Director)	4
Mrs. Renu Sud Karnad (Independent Director)	4
Mr. Tarak Mehta	3

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

4. Nomination and Remuneration Committee

(i) Terms of Reference

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

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

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

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

The Nomination and Remuneration Committee presently consists of three Non-Executive Directors, two being independent. The Chairman is a Non-Executive and Independent Director. The Committee has held one meeting during the Financial Year 2016 i.e., on February 3, 2016. The composition of the Nomination and Remuneration Committee as on December 31, 2016 and the attendance of members at the meeting held during the Financial Year 2016 were as follows:

Members of the Committee	No. of meetings attended
Mr. Nasser Munjee (Chairman) (Independent Director)	1
Mrs. Renu Sud Karnad (Independent Director)	1
Mr. Frank Duggan	1

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

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive/ Non-Executive Independent Directors. Independent Directors' remuneration is governed by the external competitive environment, track record of the individuals, effective participation in the meetings, comparable industry standards and performance of the Company. The remuneration determined for the Executive/Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

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

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

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

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

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

5. Details of remuneration to all the Directors paid during the Financial Year 2016

(₹ in Lakh)

Name	Sitting Fees	Salary & Perquisites	Commission / Bonus (*)	Stock Option	Pension
Mr. Sanjeev Sharma	Nil	399.97	Nil	Nil	Nil
Mr. Nasser Munjee	1.80	Nil	21.68	Nil	Nil
Mr. Darius E. Udwadia	2.00	Nil	27.43	Nil	Nil
Mrs. Renu Sud Karnad	2.10	Nil	32.57	Nil	Nil
Mr. Frank Duggan	Nil	Nil	Nil	Nil	Nil
Mr. Tarak Mehta	Nil	Nil	Nil	Nil	Nil

* Commission / Bonus for the year 2015 paid during the year 2016.

Commission to Independent Directors:

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

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

Fixed Component / Performance Linked Incentive / Criteria

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

Service Contract / Notice Period / Severance Fees

a) The Contract of Service entered into by the Company with Mr. Sanjeev Sharma, Managing Director, provides that the Company and the Managing Director shall be entitled to terminate the agreement by giving 90 days' notice in writing on either side.

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

Stock Option

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

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

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company except with the (a) law firm where Mr. Darius E. Udwadia is a partner and (b) Company where Mrs. Renu Sud Karnad is Director.

(a) The Company has paid ₹ 1,29,170/- to the law firm, as fees for professional services that were provided by the firm to the Company on specific legal matters entrusted by the Company to it for legal advice where Mr. Udwadia, Director is a Proprietor. The Board does not consider the law firm's association with the Company to be of a material nature so as to affect independence of judgment of Mr. Udwadia as a Director of the Company.

(b) Mrs. Renu Sud Karnad, who is also a Director on the Board of Lafarge India Private Limited with which the Company is having a business relationship viz., purchase and sale of goods/ equipment, turnkey projects, license of software etc., as normal business transactions, for more than a decade. The Purchases and Sales including the orders released and received during year is ₹ 1,57,86,257/-. All the transactions have been carried out purely based on market conditions at prevailing market price / conditions. The Board does not consider the business association between Lafarge and the Company to be of a material nature so as to affect independence of judgment of Mrs. Karnad as a Director of the Company. Mrs. Karnad, ceased to be Director on the Board of Lafarge India Private Limited effective June 3, 2016.

6. Stakeholders Relationship Committee

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

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

Four meetings of Committee were held during the Financial Year 2016 i.e., on February 3, April 25, July 21 and October 27, 2016.

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

The composition of Stakeholders Relationship Committee as at December 31, 2016 and attendance of members at the meetings held during the Financial Year 2016 were as follows:

Members of the Committee	No. of meetings attended
Mr. Darius E. Udwadia (Chairman) (Independent Director)	4
Mrs. Renu Sud Karnad (Independent Director)	4
Mr. Sanjeev Sharma (w.e.f. 01.01.2016)	4

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

The details of investors' complaints received and resolved during the Financial Year 2016 are as under:

No. of investors' complaints received during 2016	No. of investors' complaints resolved during 2016	Investors' complaints pending at the end of 2016
401	401	NIL

7. Risk Management

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

One meeting of the Committee was held during the Financial Year 2016 i.e., on October 27, 2016.

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

The composition of the Risk Management Committee as on December 31, 2016 and the attendance of members at the meeting held during the Financial Year 2016 were as follows:

Members of the Committee	No. of meetings attended
Mr. Nasser Munjee (Chairman) (Independent Director)	1
Mr. Frank Duggan	0
Mr. Sanjeev Sharma (w.e.f. 01.01.2016)	1
Mr. T. K. Sridhar	1
Mr. Pitamber Shivnani	0

8. Corporate Social Responsibility Committee

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

Four meetings of Committee were held during the Financial Year 2016 i.e., on February 3, April 25, July 21 and October 27, 2016.

The Committee is chaired by Mrs. Renu Sud Karnad – Independent Director. The composition of Committee as at December 31, 2016 and attendance of members at the meetings held during the Financial Year 2016 were as follows:

Members of the Committee	No. of meetings attended
Mrs. Renu Sud Karnad (Chairperson) (Independent Director)	4
Mr. Sanjeev Sharma (w.e.f. 01.01.2016)	4
Mr. Tarak Mehta	3

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

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

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

9. Subsidiary Company

As the Company has no Subsidiary as on date, the requirement of formulating a specific policy on dealing with material subsidiaries does not arise.

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

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

11. General Body Meetings

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

For the Year	Venue	Day & Date	Time
2015	"Grand Ball Room", Second floor, Sheraton Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bengaluru – 560 055	Tuesday April 26, 2016	11.00 a.m. (IST)
2014	"Grand Ball Room", Second floor, Sheraton Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bengaluru – 560 055	Monday May 6, 2015	11.00 a.m. (IST)
2013	"Grand Ball Room", Second floor, Sheraton Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bengaluru – 560 055	Monday May 5, 2014	11:00 a.m. (IST)

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

No Special Resolution passed in 64th to 66th Annual General Meetings held on May 5, 2014, May 6, 2015 and April 26, 2016 respectively.

(iii) Postal Ballot

During the year 2016, the Company has not carried out any Postal ballot. As on date, the Company does not have any proposal to pass any Special Resolution by way of Postal ballot.

12. Disclosures

(i) Disclosures on materially significant related party transactions.

There was no materially significant related party transaction during the year having potential conflict with the interests of the Company. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in the notes to accounts annexed to the financial statements. Further the Company has not entered into any transaction of a material nature with the Promoters, subsidiaries of Promoters, Directors or their relatives etc. that may have potential conflict with the interests of the Company.

All the transactions with related parties were in the ordinary course of business and on arm's length basis. In terms of Regulation 23 of Listing Regulations the Company started obtaining prior approval of the Audit Committee for entering into any transaction with related parties. The Audit Committee granted omnibus approval for certain transactions to be entered into with the related parties, during the year.

Policy on dealing with Related Party Transactions can be viewed in the Company's website. Link for the same is http://new.abb.com/docs/librariesprovider19/default-document-library/related-party-transaction-policy.pdf?sfvrsn=2.

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

As advised by Reserve Bank of India (RBI) during December 2014, the Company filed an application for compounding the alleged contravention in following the pricing guidelines issued under FEMA, when it transferred 2,80,500 equity shares of Integra Hindustan Controls Limited to the other Promoter viz., Integra Holdings, Switzerland, as promoters' inter se transfer. Accepting the Company's Compounding Application, the RBI directed the Company to pay a sum of ₹ 2,87,500/- towards compounding fee to conclude the issue. Accordingly, the Company paid the said compounding fee during June 2015 and the issue has since been resolved.

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

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

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

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

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

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

13. Means of Communication

Quarterly Financial Results / Official News Releases

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

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

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

14. General Shareholder Information

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

The Company will be holding its 67th Annual General Meeting on Tuesday, May 9, 2017 at 11.00 a.m. (IST) at "Grand Ball Room", Second Floor, Sheraton Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleshwaram - Rajajinagar, Bengaluru – 560 055.

Agenda:

Item No. 1 – Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon - To receive, consider and adopt the financial statements, namely, (i) the Audited Balance Sheet as at December 31, 2016, (ii) the Audited Profit & Loss Account for the year ended on that date, (iii) the Cash Flow Statement for the financial year ended on that date, (iv) statement of changes in Equity, if any, (v) an Explanatory Note annexed to, or forming part of, the documents referred to in (i) to (iv) above and the Reports of Board of Directors and the Auditors thereon.

Item No. 2 – Declaration of Dividend.

Item No. 3 – Appointment of a Director.

Item No. 4 – To appoint Statutory Auditors and to authorize the Board of Directors to determine their remuneration.

Item No. 5 – Commission to the Non-Executive Directors of the Company.

Item No. 6 – Ratification of remuneration to the Cost Auditor of the Company for Financial Year 2017.

Item No. 7 – Alteration of the Objects Clause of the Memorandum of Association of the Company.

Item No. 8 – To consider adoption of new set of Articles of Association of the Company.

(ii) Profile of Director seeking re-appointment

The profile of Director retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting is given in the annexure to the Notice of the Annual General Meeting.

Said Director is not related to any other Director on the Board of the Company and Promoters of the Company.

(iii) Financial Year

Company's financial year is January – December. The Indicative calendar of events for the year 2017 (January - December) excluding Extra Ordinary General Meeting(s), if any, are as under:

Fourth Quarter Financial Results (Year 2016)	February 2017
First Quarter Financial Results	May 2017
Annual General Meeting	May 2017
Second Quarter Financial Results	July 2017
Third Quarter Financial Results	October 2017

In terms of the circular issued by Ministry of Corporate Affairs, as a Green Initiative and subsequent amendment to the Listing Regulations, soft copy of the Notice and the Annual Report for the financial year 2016 have been circulated to the respective e-mail IDs registered and available in Company's records.

(iv) Date of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed for the purpose of payment of dividend from May 3, 2017 to May 9, 2017 (both days inclusive).

(v) Dividend Payment Date

The dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid on and from May 11, 2017, to those shareholders whose names appear on the Company's Register of Members as on May 2, 2017.

(vi) Listing on Stock Exchanges

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

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

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

(vii) Stock Code

Equity Shares:

NSE ABB
BSE 500002
ISIN INE117A01022

Debentures:

BSE 952706
ISIN INE117A08019

(viii) Market Price Data

The market price data and volume of the Company's shares traded in the BSE Limited and the National Stock Exchange of India Limited, during the year 2016 were as follows:

Year 2016	BSE (₹)		BSE Sensex		NSE (₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
January	1,155.00	963.05	26,197.27	23,839.76	1,135.35	955.20	7,972.55	7,241.50
February	1,192.00	975.00	25,002.32	22,494.61	1,198.00	974.80	7,600.45	6,825.80
March	1,295.15	1,014.25	25,479.62	23,133.18	1,296.80	1,015.20	7,777.60	7,035.10
April	1,432.70	1,240.60	26,100.54	24,523.20	1,434.00	1,236.10	7,992.00	7,516.85
May	1,318.25	1,185.00	26,837.20	25,057.93	1,320.00	1,185.40	8,213.60	7678.35
June	1,254.85	1,182.75	27,105.41	25,911.33	1,254.50	1,178.90	8,308.15	7,927.05
July	1,322.10	1,195.55	28,240.20	27,034.14	1,324.00	1,204.00	8,674.70	8,287.55
August	1,282.00	1,141.00	28,532.25	27,627.97	1,280.05	1,141.15	8,819.20	8,518.15
September	1,203.10	1,109.55	29,077.28	27,716.78	1,199.85	1,107.00	8,968.70	8,555.20
October	1,189.00	1,032.40	28,477.65	27,488.30	1,187.95	1,031.50	8,806.95	8,506.15
November	1,122.00	950.00	28,029.80	25,717.93	1,123.70	931.35	8,669.60	7,916.40
December	1,080.00	1,017.20	26,803.76	25,753.74	1,080.00	1,017.55	8,274.95	7,893.80

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

ABB Share Price movement v/s BSE Sensex
January – December 2016

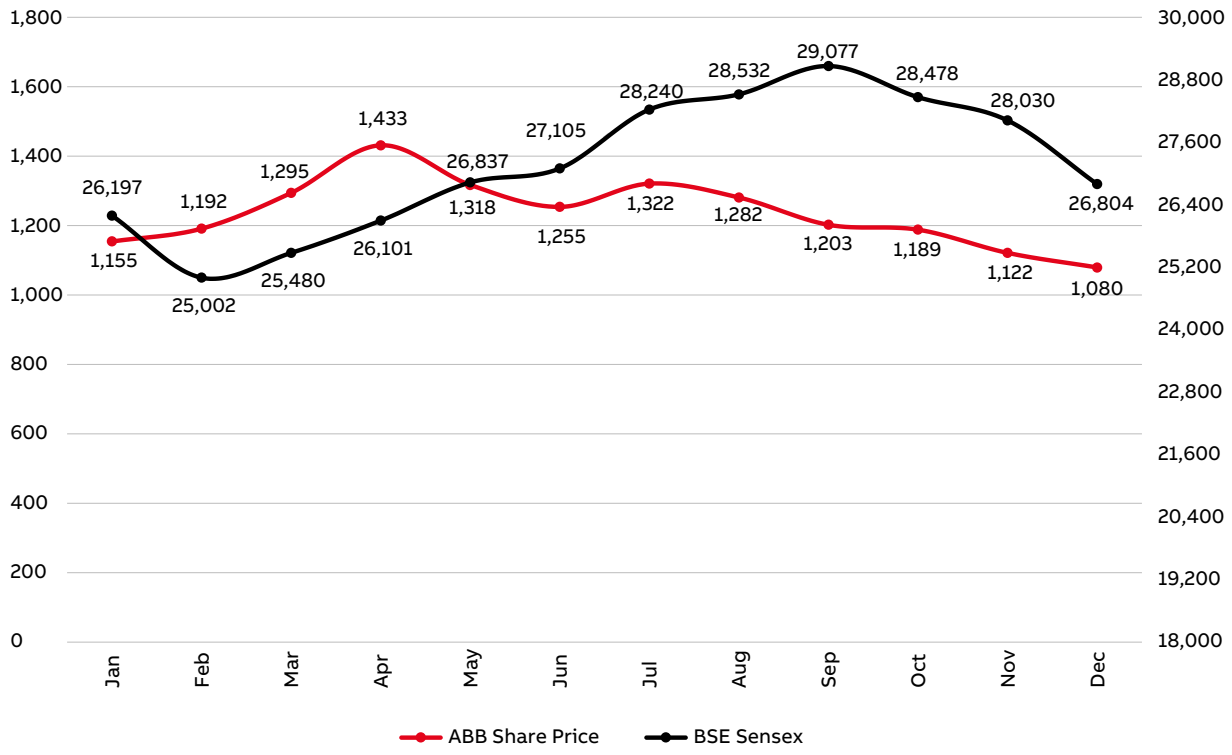
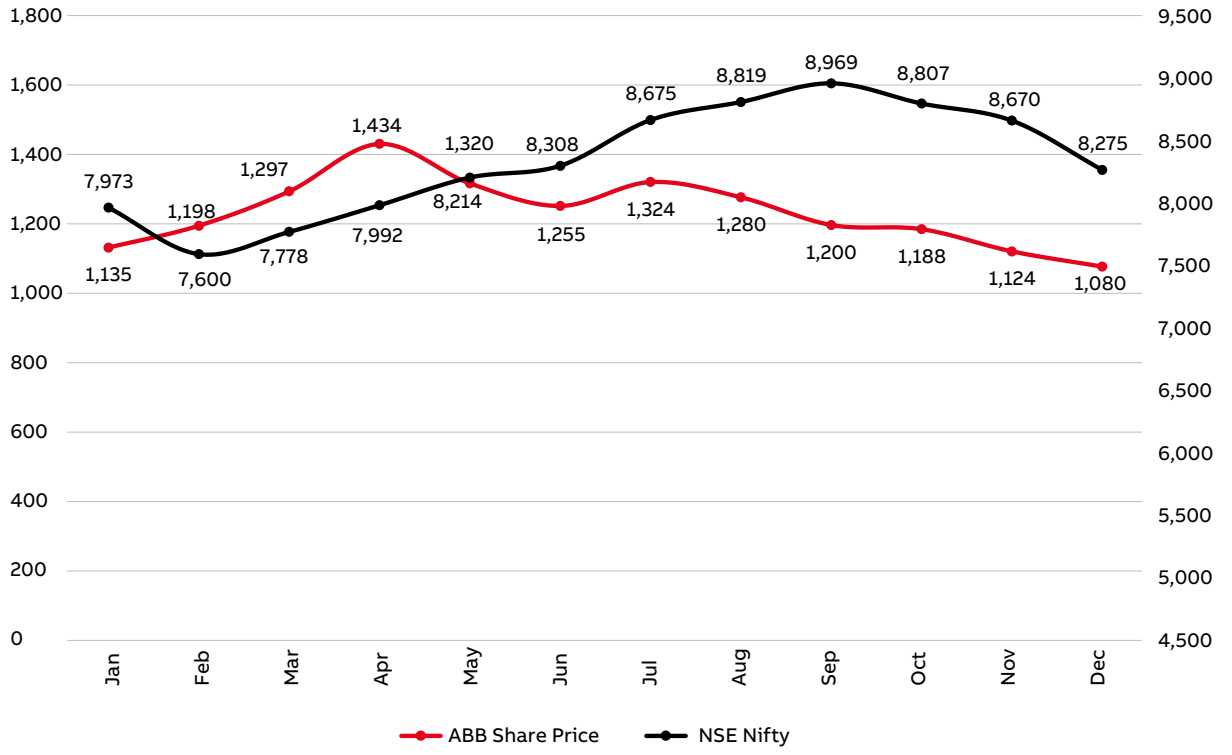


ABB Share Price movement v/s NSE Nifty
January – December 2016



(x) Registrar and Share Transfer Agents

Karvy Computershare Private Limited (Unit: ABB India Limited)
No.51/2, T K N Complex, Vanivilas Road, Opp. National College,
Basavanagudi, Bengaluru – 560 004
Phone No. 080-67453237
Fax No. 080-26600786
E-mail: einward.ris@karvy.com

Karvy Computershare Private Limited (Unit: ABB India Limited)
Karvy Selenium Tower B, Plot 31-32, Financial District,
Nanakramguda, Gachibowli, Serilingampally Mandal,
Hyderabad – 500 032, Telangana
Phone No. 1800 3454 001 / 040 6716 2222
Fax No. 040 – 2342 0814
E-mail: einward.ris@karvy.com

(xi) Share Transfer System

The Company's shares being in compulsory demat list, are transferable through the depository system. However, shares in the physical form are processed by the Registrar and Share Transfer Agents, and approved by the Stakeholders Relationship Committee. In order to expedite the process, the Board of Directors has also delegated the authority severally to the Managing Director (MD) and the Company Secretary to approve the share transfers and accordingly, the MD or the Company Secretary approve the transfer/transmission of shares generally on a weekly basis. The share transfer process is reviewed by the Committee.

(xii) Shareholding Pattern

Shareholders	As on 31.12.2016		As on 31.12.2015	
	No. of shares	%	No. of shares	%
ABB Asea Brown Boveri Limited Zurich & ABB Norden Holding AB Sweden	158,931,281	75.000	158,931,281	75.000
Non-Resident Individuals/OCBs	347,465	0.164	313,361	0.148
Directors and their relatives	3,500	0.002	3,500	0.002
LIC/UTI/Other Insurance Cos.	20,680,191	9.759	21,061,745	9.939
Nationalised Banks/Other Banks	533,810	0.252	428,764	0.202
Mutual Funds	5,704,547	2.692	4,948,678	2.335
Foreign Institutional Investors	6,472,358	3.054	7,986,508	3.769
Bodies Corporate/Trust	1,466,606	0.692	1,844,173	0.870
Foreign Portfolio Investors	2,792,259	1.318	1,268,163	0.598
General Public	14,976,358	7.067	15,122,202	7.136
Total	211,908,375	100.00	211,908,375	100.00

(xiii) Distribution of Shareholding as on December 31, 2016

Category	**No. of Shareholders**	**No. of Shares held**	**% of equity capital**
1 – 5000	64,429	12,820,662	6.05
5001 – 10000	244	1,650,029	0.78
10001 – 50000	129	2,496,284	1.18
50001 – 100000	14	1,012,305	0.48
100001 and above	35	193,929,095	91.52
Total	**64,851**	**211,908,375**	**100.00**

(xiv) Dematerialisation of Shares and liquidity

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

As on December 31, 2016, out of 211,908,375 equity shares of the Company, 209,209,599 equity shares have been dematerialised representing 98.73%.

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

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

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

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

(xvi) Code of Conduct

As required under Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on December 31, 2016.

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

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

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

(xviii) Plant Locations

The Company's plants are located at Peenya and Nelamangala in Bengaluru, Halol, Savali and Maneja in Vadodara, Faridabad, Mumbai, Mysuru and Nashik.

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

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

(xx) Address for correspondence

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

(xxi) Corporate Identity Number

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

(xxii) Compliance Officer

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

(xxiii) Debenture Trustees

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
No. 17, R Kamani Marg, Ballard Estate,
Fort Mumbai - 400 001

Contact Person: Mr. Ajit S Guruji
E-mail: ajit.guruji@idbitrustee.com
Phone No: 022 40807001 | Fax No: 022 66311776 / 40807080

15. Discretionary Requirements

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

For ABB India Limited

Frank Duggan
Chairman
DIN: 02937233

Place: Mumbai
Date: March 23, 2017

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

In accordance with the Listing Regulations, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the Financial Year ended December 31, 2016.

For ABB India Limited

Sanjeev Sharma
Managing Director
DIN: 07362344

Place: Mumbai
Date: March 23, 2017

Annexure – H to Directors' Report

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No: L32202KA1949PLC032923
Nominal Capital : ₹ 50 Crores

To
The Members of ABB India Limited,

We have examined all the relevant records of ABB India Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended December 31, 2016. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

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

For V. Sreedharan & Associates
Company Secretaries

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

Bangalore, February 9, 2017

Annexure – I to Directors' Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2016

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2016 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of The Companies Act, 1956 ;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014)- Not applicable as the Company has does not have ESOP Scheme/shares;
    e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted /proposed to delist its equity shares from any stock exchange during the financial year under review;
    h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back / proposed to buyback any of its securities during the financial year under review.

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

We further report that :

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

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

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

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

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

For HBP & Co
Company Secretaries

Place: Bangalore
Date: 9 February, 2017

Pramod S M
Partner
FCS 7834/ C P No.: 13784

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

'Annexure A'

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

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

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

For HBP & Co
Company Secretaries

Pramod S M
Partner
FCS 7834 / CP No. 13784

Place: Bangalore
Date: 9 February, 2017

MD / CFO Certificate

To
The Board of Directors
ABB India Limited

We certify that;

A. We have reviewed financial statements and the cash flow statement of ABB India Limited for the year ended December 31, 2016 and that to the best of our knowledge and belief:

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

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

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

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

D. We have indicated to the Auditors and the Audit Committee that there are:

1. No significant changes in internal control over financial reporting during the year;
2. No significant changes in accounting policies during the year; and
3. No instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

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

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

Sanjeev Sharma
Managing Director
DIN: 07362344

T. K. Sridhar
Chief Financial Officer

Place: New Delhi
Date: February 9, 2017

Inclusive social development





DHENUKA SRINIVASAN, SUSTAINABILITY AFFAIRS, BENGALURU

We at ABB India are committed and continuously striving to give back to the community. Our drive has helped us fully meet our commitment for the year – a small step on the long road of building a sustainable community.

02
Financial Statements

093–099 **Independent Auditor's Report**

100 **Balance Sheet**

101 **Statement of Profit and Loss**

102 **Cash Flow Statement**

103–130 **Notes to the Financial Statements**



RAJDEEPAK PANDEY, PRODUCT MANAGEMENT, VADODARA

My aim is to understand all aspects of our customers' requirements so that we can produce a superior product.

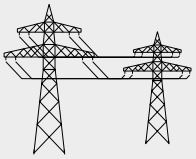


Writing the future in India

Raigarh-Pugalur UHVDC technology for green energy corridor

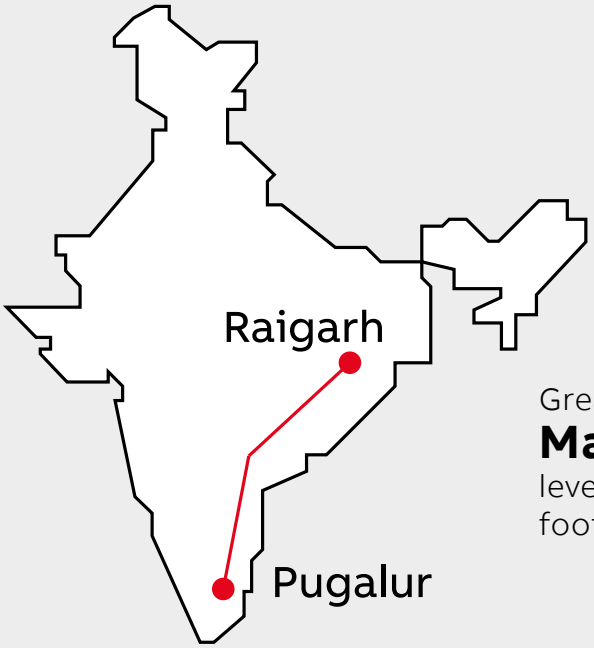
– 1,800 km two-way link to bring power to 80 million people with global technologies made in India
– Aligns with the government's vision of 24x7 reliable power to all, balancing the demand-supply patterns for the southern region

UHVDC technology optimizes land usage to **one third** as compared to regular transmission corridor



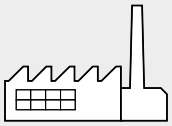
6,000 MW
transmission link with a capacity equivalent to more than 6 large power plants

6x 



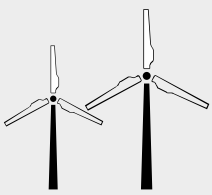


In alignment with government's vision of **24x7** reliable power for all



Great example of **Make in India** leveraging our strong footprint in India

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*Ultra high voltage direct current

Independent Auditor's Report

To the Members of ABB India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ABB India Limited ("the Company"), which comprise the balance sheet as at December 31, 2016, the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI"), as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at December 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

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

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

(c) The balance sheet, statement of profit and loss, and cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on December 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2016, from being appointed as a director in terms of section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 42 to the financial statements;

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

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navin Agrawal
Partner
Membership Number: 56102

Place of signature: New Delhi
Date: February 9, 2017

Annexure I referred to in clause 1 of paragraph on the report on other legal and regulatory requirements of our report of even date

Re: ABB India Limited ('the Company')

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company, except for certain freehold land area aggregating to 5 acres and 31 guntas, out of a land parcel acquired by the Company, on a slump sale basis in 2011. As explained to us, registration of title deeds of these lands is under progress.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in Crores)*	Period to which it relates	Forum where dispute is pending
Faridabad Development Act (Octroi)	Product Classification	3.04	1986-1994	High Court
Sales Tax Act	Tax, interest and penalty	205.28	1996-2015	Additional Commissioner (Appeals) / Assistant Commissioner of Commercial Taxes / Commissioner of Commercial Taxes / Deputy Commissioner of Commercial Taxes (Appeals) / Deputy Commissioner (Appeals) / Joint Commissioner of Commercial Taxes (Appeals) / Taxation Board
		97.06	1994-2013	High Court
		39.15	1994-2014	Sales Tax Appellate Tribunal
Customs Act,1962	Tax, Interest and Penalty	0.59	2009-2014	Commissioner of Customs (Appeals)
		1.14	2008-2014	CESTAT
		0.14	2013-2014	High Court
Central Excise Act,1944	Tax, Interest and penalty	49.34	1996-2014	Commissioner (Appeals)/Commissioner (LTU) / Ministry of Finance (Department of Revenue)
		21.92	2004-2015	CESTAT
		0.34	2006-2007	Supreme Court
Finance Act,1994	Service Tax, interest and penatly	0.22	2011-2014	Commissioner (Appeals)
		76.82	2006-2014	CESTAT
		0.40	2006-2007	Supreme Court
Income Tax Act, 1961	Tax, interest and penalty	8.33	2010-2011	Income Tax Appellate Tribunal
		44.98	2011-2012	Income Tax Appellate Tribunal
		30.64	2012-2013	Commissioner of Income Tax (Appeals)
		32.32	2013-2014	Commissioner of Income Tax (Appeals)

*₹ 201 crores paid under protest.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans during the year. Hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navin Agrawal
Partner
Membership No.: 56102

Place of signature: New Delhi
Date: February 9, 2017

Annexure II to the Independent Auditor's Report of even date on the Standalone Financial Statements of ABB India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ABB India Limited ("the Company") as of December 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navin Agrawal
Partner
Membership Number: 56102

Place of Signature: New Delhi
Date: February 9, 2017

Balance Sheet

(₹ in Crores)

Balance sheet as at December 31, 2016	Notes	2016	2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	**42.38**	42.38
Reserves and surplus	4	**3,240.40**	2,966.17
		3,282.78	3,008.55
Non-current liabilities			
Long-term borrowings	5	**600.00**	600.00
Other long-term liabilities	7	**3.91**	4.30
Long-term provisions	8	**52.08**	47.92
		655.99	652.22
Current liabilities			
Short-term borrowings	33	**0.04**	-
Trade payables	6		
Total outstanding dues to micro enterprises and small enterprises		**117.68**	119.10
Total outstanding dues to creditors other than micro enterprises and small enterprises		**2,039.63**	1,982.86
Other current liabilities	7	**1,237.23**	1,267.70
Short-term provisions	8	**395.56**	378.40
		3,790.14	3,748.06
Total		**7,728.91**	7,408.83
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	**1,168.79**	1,199.36
Intangible assets	10	**86.12**	99.06
Capital work-in-progress		**67.78**	44.28
Non-current investments	11	**16.23**	16.31
Deferred tax assets (net)	12	**78.36**	48.96
Long-term loans and advances	13	**380.60**	422.20
Other non-current assets	14	**7.23**	6.69
		1,805.11	1,836.86
Current assets			
Current investments	11	**0.08**	0.08
Inventories	15	**940.25**	939.57
Trade receivables	16	**3,063.33**	3,390.93
Cash and bank balances	17	**1,189.16**	573.59
Short-term loans and advances	13	**330.78**	278.08
Other current assets	14	**400.20**	389.72
		5,923.80	5,571.97
Total		**7,728.91**	7,408.83

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Per Navin Agrawal
Partner
Membership No: 56102

New Delhi, February 9, 2017

For and on behalf of the Board

Frank Duggan	Chairman
Sanjeev Sharma	Managing Director
Nasser Munjee	Director
T. K. Sridhar	Chief Financial Officer
B. Gururaj	Company Secretary

New Delhi, February 9, 2017

Statement of Profit and Loss

(₹ in Crores)

For the year ended December 31, 2016	Notes	2016	2015
Revenue			
Revenue from operations (gross)		**9,189.68**	8,670.70
Less: Excise duty		**541.31**	530.43
Revenue from operations (net)	18	**8,648.37**	8,140.27
Other income	19	**65.27**	13.04
Total revenue		**8,713.64**	8,153.31
Expenses			
Cost of raw materials and components consumed and project bought outs	20	**4,641.36**	4,560.51
Purchases of traded goods	21	**401.59**	321.64
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	22	**66.64**	(48.56)
Subcontracting charges		**507.69**	466.42
Employee benefit expenses	23	**767.82**	749.87
Finance costs	24	**84.92**	91.16
Depreciation, amortisation and impairment expense	25	**150.95**	159.79
Other expenses	26	**1,516.62**	1,377.89
Total expenses		**8,137.59**	7,678.72
Profit before tax		**576.05**	474.59
Tax Expenses			
Current tax		**229.20**	203.71
Deferred tax charge / (credit)		**(29.40)**	(29.00)
Total tax expenses		**199.80**	174.71
Profit for the year		**376.25**	299.88
Earnings per equity share face value of ₹ 2 each, (December 31, 2015 : ₹ 2 each)	27		
Basic		**17.76**	14.15
Diluted		**17.76**	14.15

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Per Navin Agrawal
Partner
Membership No: 56102

New Delhi, February 9, 2017

For and on behalf of the Board

Frank Duggan	Chairman
Sanjeev Sharma	Managing Director
Nasser Munjee	Director
T. K. Sridhar	Chief Financial Officer
B. Gururaj	Company Secretary

New Delhi, February 9, 2017

Cash Flow Statement

(₹ in Crores)

For the year ended December 31, 2016		2016	2015
A.	**Cash flow from operating activities**		
	Profit before tax	**576.05**	474.59
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation, amortisation and impairment expense	**150.95**	159.79
	Unrealised exchange loss / (gains) (net)	**18.50**	30.03
	(Profit) / loss on sale of fixed assets (net)	**(27.47)**	6.72
	Provision for doubtful debts and advances	**32.59**	46.21
	Interest income	**(37.80)**	(13.04)
	Interest expense	**84.92**	91.16
	Operating profit before working capital changes	**797.74**	795.46
	Movement in working capital		
	Increase /(decrease) in trade payables and other current liabilities	**0.39**	114.65
	Increase /(decrease) in provisions	**13.67**	18.07
	Decrease/(increase) in trade receivables	**300.65**	(279.72)
	Decrease/(increase) in inventories	**(0.68)**	(45.75)
	Decrease/(increase) in loans and advances	**(22.95)**	(29.38)
	Decrease/(increase) in other current assets	**(9.02)**	5.17
	Cash generated from operations	**1,079.80**	578.50
	Direct taxes paid (net of refunds)	**(217.23)**	(196.83)
	Net cash flow from operating activities	**862.57**	381.67
B.	**Cash flow from investing activities**		
	Purchase of fixed assets	**(138.69)**	(109.61)
	Proceeds from sale of fixed assets	**34.67**	19.48
	Proceeds from maturity of investments	**0.08**	0.08
	Interest received	**36.34**	12.87
	Investment in deposits (with maturity more than three months)	**(0.54)**	-
	Redemption of deposits (with maturity more than three months)	**-**	0.79
	Net cash flow used in investing activities	**(68.14)**	(76.39)
C.	**Cash flow from financing activities**		
	Proceeds from short-term borrowings	**0.04**	11,162.95
	Proceeds from long-term borrowings	**-**	600.00
	Repayment of short-term borrowings	**-**	(11,534.02)
	Interest paid	**(84.50)**	(92.68)
	Dividend (including dividend distribution tax) paid	**(94.37)**	(94.09)
	Net cash flow from / (used in) financing activities	**(178.83)**	42.16
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**615.60**	347.44
	Effects of exchange (loss) / gain on cash and cash equivalents	**(0.23)**	-
	Cash and cash equivalents (opening balance)	**571.55**	224.11
	Cash and cash equivalents (closing balance)	**1,186.92**	571.55
	Components of cash and cash equivalents		
	Cash and bank balances	**1,189.16**	573.59
	Less: Unpaid dividend account	**2.24**	2.04
	(Also refer note no. 17)	**1,186.92**	571.55

Note:
1) Cash and cash equivalents at the end of the year represent cash and cheques on hand and cash and deposits with banks.
2) The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the classification of the current year.
3) Cash flow statement is made using the indirect method.

As per our report of even date
For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Per Navin Agrawal
Partner
Membership No: 56102

New Delhi, February 9, 2017

For and on behalf of the Board

Frank Duggan	Chairman
Sanjeev Sharma	Managing Director
Nasser Munjee	Director
T. K. Sridhar	Chief Financial Officer
B. Gururaj	Company Secretary

New Delhi, February 9, 2017

Notes to the Financial Statements

1. Corporate information

ABB India Limited ('the Company') has served utility and industry customers for over six decades with the complete range of engineering, products, solutions and services in areas of Automation and Power technology. The Company has extensive installed base for manufacturing and a countrywide marketing and service presence. Besides catering to Indian domestic market, the Company is also playing an increasing role in the global market.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention except certain derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Change in useful lives of assets

Pursuant to the requirements of Schedule II of the Companies Act, 2013 ("the Act"), the management had reassessed and changed, wherever necessary the useful lives to compute depreciation from January 1, 2015, which was the effective date for application of Schedule II for the Company. Accordingly, the carrying amount as at January, 1 2015 is being depreciated over the revised remaining useful life of the assets. The carrying value of ₹ 8.94 crores (net of deferred tax of ₹ 4.73 crores), in case of assets with Nil revised remaining useful life as at January 1, 2015 was reduced from the retained earnings. Further, had the Company continued with the previously assessed useful lives, charge for depreciation for the previous year would have been lower and the profit for the previous year would have been higher by ₹ 37.96 crores.

2.4 Tangible and intangible assets

Fixed assets are stated at the cost of acquisition, less accumulated depreciation / amortisation and accumulated impairment losses, if any. Cost of fixed assets comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Own manufactured assets are capitalized at cost including an appropriate share of overheads. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or construction are capitalized, if capitalization criteria are met. Cost of fixed assets not ready for their intended use before balance sheet date are disclosed under capital work in progress.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Capitalized software includes costs on Enterprise Resource Planning (ERP) Project and other costs relating to software, which provide significant future economic benefits. ERP Project costs comprise license fees and cost of system integration services. All costs relating to upgradations / enhancements are generally charged off as revenue expenditure unless they bring significant additional benefits of lasting nature.

2.5 Depreciation / amortization

Depreciation on assets is provided on the straight-line method on the basis of economic useful lives as estimated by the management.

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. Depreciation is provided from the date of capitalisation till the date of sale of assets.

Useful lives estimated by the management in years:

• Leasehold land and leasehold improvements	over the period of lease being 1 to 10 years
• Factory buildings	15-30
• Other buildings	3-60
• Furniture and fixtures	10
• Office equipments	3-5
• Plant and equipment	2-21
• Vehicles	5
• Technical know-how fees	3-10
• Capitalized software costs	3-5

Goodwill on business acquisition is not amortized but tested for impairment.

2.6 Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

2.7 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of various categories of inventories is arrived at as follows:

- Stores, spares, raw materials, components and traded goods - at rates determined on the moving weighted average method.
- Goods in Transit – at actual cost.
- Work-in-progress and finished goods - at full absorption cost method which includes direct materials, direct labour and manufacturing overheads. Cost is determined on weighted average method. Excise duty is included in the value of finished goods inventory.

Provision for obsolescence is made wherever necessary.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.9 Retirement and other employee benefits

Contribution to Superannuation Fund, a defined contribution scheme, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the statement of profit and loss during the period in which the employee renders the related services. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

Contributions to the recognized Provident Fund/ Gratuity Fund, defined benefits scheme, and provision for other long term employee benefits - leave are made on the basis of actuarial valuations using the projected unit credit method made at the end of each financial year and are charged to the statement of profit and loss during the year.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company presents the entire accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Sales of products and services are recognized when significant risks and rewards of ownership of products are passed on to customers or when the service has been provided. In case of large transformers, revenue is recognized on achievement of contractual milestone. Revenue recognized in excess of billing has been reflected under "Other Current Assets" as Unbilled Revenue. Net sales are stated at contractual realisable values, net of excise duty, sales tax, service tax, value added tax and trade discounts.
- Revenues from long-term contracts are recognized on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Other Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.
- Liquidated damages / penalties are provided for as per the contract terms wherever there is a delayed delivery attributable to the Company.
- Commission income is recognized as per contract terms and when accrued.
- Income from development services are recognized on rendering of service as per contract terms
- Dividend income is recognized when the right to receive dividend is established.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.11 Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.
Disclosures for contingent liability are made when there is a possible or present obligation for which it is not probable that there will be an outflow of resources. When there is a possible or present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

Provisions for warranty-related costs are recognized when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

2.12 Foreign currency transactions

Foreign currency transactions are recorded by applying the daily exchange rates. Exchange differences arising on foreign currency transactions settled during the year are recognized in the statement of profit and loss for the year.

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates prevailing on the balance sheet date. The resultant exchange differences are recognized in the statement of profit and loss for the year. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date of transaction.
The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations.

Gain or loss on restatement of forward exchange contracts for hedging underlying outstandings at the balance sheet date are recognized in the statement of profit and loss for the year in which it occurs. The premium or discount on such contracts is recognized in the statement of profit and loss over the period of the contract.

Gain or loss on fair valuation of forward exchange contracts for hedging highly probable forecasted transactions not covered under Accounting Standard (AS) 11 " The effect of changes in foreign exchange rates" are recognized in the statement of profit and loss for the year in which it occurs.

The Company does not follow hedge accounting.

2.13 Taxation

Tax expense comprises current tax and deferred tax.

The current charge for income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act including probable adjustments, if any, for international and domestic transactions with associated enterprises.
The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that the assets can be realised in future. Deferred tax assets are reviewed at each balance sheet date for its realisability. The Company writes-down the carrying amount of deferred tax assets to the extent it is no longer reasonably certain of its realisation.

2.14 Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.15 Operating cycle

A portion of the Company's activities (primarily long-term project activities) has an operating cycle that exceeds one year. Accordingly, assets and liabilities related to these long-term contracts, which will not be realized/paid within one year, have been classified as current. For all other activities, the operating cycle is twelve months.

2.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

		2016		2015	
		Number	**₹ in Crores**	Number	₹ in Crores
3	**Share capital**				
	Authorised share capital				
	Equity shares of ₹ 2/- each	**21,25,00,000**	**42.50**	21,25,00,000	42.50
	11% Redeemable 10 years, cumulative preference shares of ₹ 100/- each	**7,50,000**	**7.50**	7,50,000	7.50
			50.00		50.00
	Issued, subscribed and fully paid up				
	Equity shares of ₹ 2/- each	**21,19,08,375**	**42.38**	21,19,08,375	42.38
			42.38		42.38

a) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended December 31, 2016, the amount of per share dividend recommended and provided for distributions to equity shareholders is ₹ **4.00/-**. (December 31, 2015: ₹ 3.70/-)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Shares held by holding / ultimate holding company and/or their subsidiaries / associates

	Number	**₹ in Crores**	Number	₹ in Crores
Equity shares of ₹ 2/- each				
ABB Asea Brown Boveri Limited - the holding company	**14,63,90,951**	**29.28**	14,63,90,951	29.28
ABB Norden Holding AB - a fellow subsidiary	**1,25,40,330**	**2.51**	1,25,40,330	2.51
	15,89,31,281	**31.79**	15,89,31,281	31.79

c) Details of shareholders holding more than 5% of the shares in the Company

	Number	**% of holding**	Number	% of holding
Equity shares of ₹ 2/- each				
ABB Asea Brown Boveri Limited - the holding company	**14,63,90,951**	**69.08**	14,63,90,951	69.08
ABB Norden Holding AB - a fellow subsidiary	**1,25,40,330**	**5.92**	1,25,40,330	5.92
Life Insurance Corporation of India	**1,73,42,297**	**8.18**	1,75,60,357	8.29

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownerships of shares.

d) There is no movement in the share capital during the current and previous year.

(₹ in Crores)

		2016	2015
4	**Reserves and surplus**		
	Capital reserve	**1.10**	1.10
	Capital redemption reserve	**7.50**	7.50
	Securities premium account	**60.00**	60.00
	Debenture redemption reserve		
	Balance as per last financial statements	**50.00**	-
	Add: Transferred during the year	**50.00**	50.00
	Balance at the end of the year	**100.00**	50.00
	General reserve		
	Balance as per last financial statements	**2,738.16**	2,597.10
	Add: Transferred during the year	**210.00**	150.00
	Less: Transitional adjustment towards depreciation on tangible fixed assets (refer note 2.3)	**-**	8.94
	Balance at the end of the year	**2,948.16**	2,738.16
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	**109.41**	103.90
	Profit for the year	**376.25**	299.88
	Less: Appropriations		
	Proposed equity dividend	**84.76**	78.41
	Tax on proposed equity dividend	**17.26**	15.96
	Transfer to debenture redemption reserve	**50.00**	50.00
	Transfer to general reserve	**210.00**	150.00
	Total appropriations	**362.02**	294.37
	Net surplus in the statement of profit and loss	**123.64**	109.41
	Total reserves and surplus	**3,240.40**	2,966.17

(₹ in Crores)

		Non-current	
		2016	2015
5	**Long term borrowings**		
	600 (December 31, 2015: 600) Unsecured, listed, redeemable, non-convertible debenture having face value of ₹ 1,00,00,000 each.	**600.00**	600.00
		600.00	600.00

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.

(₹ in Crores)

		Current	
		2016	2015
6	**Trade Payables**		
	Dues to micro and small enterprises (refer note below)	**117.68**	119.10
		117.68	119.10
	Dues to creditors other than micro and small enterprises		
	Acceptances	**596.54**	523.70
	Other trade payables	**1,443.09**	1,459.16
		2,039.63	1,982.86
	Total trade payables	**2,157.31**	2,101.96
	The Company has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at December 31, 2016		
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at December 31, 2016		
	Principal amount	**113.40**	115.67
	Interest	**0.29**	0.58
ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending December 31, 2016		
	Principal amount	**-**	390.51
	Interest	**0.32**	9.76
iii)	The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	**3.99**	2.85
iv)	The amount of interest accrued and remaining unpaid for the year ending December 31, 2016	**4.28**	3.43
v)	The amount of further interest remaining due and payable for the earlier years.	**3.11**	-

(₹ in Crores)

		Non-current		Current	
		2016	2015	**2016**	2015
7	**Other liabilities**				
	Investor education and protection fund shall be credited for unclaimed dividends amount when due	**-**	-	**2.24**	2.04
	Billing in excess of contract revenue	**-**	-	**222.31**	211.44
	Mark to market loss on derivatives	**-**	-	**26.62**	9.66
	Advances from customers	**-**	-	**484.30**	605.83
	Employee related payables	**-**	-	**126.81**	114.99
	Security deposits received	**3.91**	4.30	**0.08**	0.08
	Statutory dues payable	**-**	-	**21.06**	16.84
	Interest accrued but not due on long-term borrowings	**-**	-	**3.13**	3.56
	Liability for expenses	**-**	-	**179.84**	196.83
	Creditor for capital goods	**-**	-	**70.60**	57.21
	Other liabilities	**-**	-	**100.24**	49.22
	Total other liabilities	**3.91**	4.30	**1,237.23**	1,267.70

(₹ in Crores)

		Long-term		Short-term	
		2016	2015	**2016**	2015
8	**Provisions**				
	Provisions for employee benefits				
	Gratuity (refer note 46)	**-**	-	**15.00**	1.35
	Leave benefits	**-**	-	**35.35**	38.51
	Other provisions				
	Proposed dividend to equity shareholders	**-**	-	**84.76**	78.41
	Tax on proposed equity dividend	**-**	-	**17.26**	15.96
	Warranties (refer note 42)	**-**	-	**152.24**	144.15
	Loss orders (refer note 42)	**-**	-	**33.90**	49.58
	Litigations (refer note 42)	**11.98**	11.98	**-**	-
	Sales tax (refer note 42)	**40.10**	35.94	**57.05**	50.44
	Total provisions	**52.08**	47.92	**395.56**	378.40

9 Tangible assets

(₹ in Crores)

Gross block	**Freehold Land**	**Leasehold Land**	**Leasehold Improvements**	**Factory Buildings**	**Other Buildings**	**Plant and Equipment**	**Office Equipments**	**Furniture and Fixtures**	**Vehicles**	**Total**
Balance as at January 01, 2015	67.29	23.43	36.55	348.04	67.55	1,164.25	32.90	58.93	1.46	1,800.40
Additions	-	-	1.51	6.67	4.60	66.93	3.47	9.66	0.21	93.05
Disposals	-	-	(0.84)	-	(0.07)	(40.60)	(0.55)	(1.59)	(0.02)	(43.67)
Balance as at December 31, 2015	67.29	23.43	37.22	354.71	72.08	1,190.58	35.82	67.00	1.65	1,849.78
Additions	-	-	1.44	6.47	4.99	91.61	3.43	4.56	0.21	112.71
Disposals	(0.01)	-	(1.89)	-	(0.24)	(22.94)	(1.55)	(0.57)	-	(27.20)
Balance as at December 31, 2016	**67.28**	**23.43**	**36.77**	**361.18**	**76.83**	**1,259.25**	**37.70**	**70.99**	**1.86**	**1,935.29**
Accumulated depreciation										
Balance as at January 01, 2015	-	1.86	14.05	64.94	10.07	388.06	13.15	22.92	1.33	516.38
Charge for the year	-	0.33	3.16	11.67	4.16	104.57	4.82	9.06	0.07	137.84
Depreciation transferred to general reserve (refer note 2.3)	-	-	-	0.15	0.02	2.50	8.92	2.08	-	13.67
Reversal on disposal of assets	-	-	(0.42)	-	(0.04)	(15.27)	(0.55)	(1.17)	(0.02)	(17.47)
Balance as at December 31, 2015	-	2.19	16.79	76.76	14.21	479.86	26.34	32.89	1.38	650.42
Charge for the year	-	0.33	3.07	11.92	3.37	106.95	3.76	6.58	0.10	136.08
Reversal on disposal of assets	-	-	(1.71)	-	(0.11)	(16.21)	(1.55)	(0.42)	-	(20.00)
Balance as at December 31, 2016	**-**	**2.52**	**18.15**	**88.68**	**17.47**	**570.60**	**28.55**	**39.05**	**1.48**	**766.50**
Net block										
Balance as at December 31, 2015	67.29	21.24	20.43	277.95	57.87	710.72	9.48	34.11	0.27	1,199.36
Balance as at December 31, 2016	**67.28**	**20.91**	**18.62**	**272.50**	**59.36**	**688.65**	**9.15**	**31.94**	**0.38**	**1,168.79**

Notes:

a) Other buildings include cost of shares in Lotus Court Private Limited ₹ 0.01 crores (December 31, 2015 - ₹ 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/taken on finance lease.

10 Intangible assets

(₹ in Crores)

Gross block	Goodwill	Technical Know-how fees	Capitalised Software	Total
Balance as at January 01, 2015	52.26	111.93	7.25	171.44
Additions	-	2.75	2.74	5.49
Disposals	-	-	-	-
Balance as at December 31, 2015	52.26	114.68	9.99	176.93
Additions	-	1.19	0.74	1.93
Disposals	-	-	-	-
Balance as at December 31, 2016	**52.26**	**115.87**	**10.73**	**178.86**
Accumulated amortisation / impairment				
Balance as at January 01, 2015	0.29	52.22	3.41	55.92
Charge for the year	-	14.91	1.49	16.40
Impairment charge	5.55	-	-	5.55
Reversal on disposal of assets	-	-	-	-
Balance as at December 31, 2015	5.84	67.13	4.90	77.87
Charge for the year	-	13.23	1.64	14.87
Reversal on disposal of assets	-	-	-	-
Balance as at December 31, 2016	**5.84**	**80.36**	**6.54**	**92.74**
Net block				
Balance as at December 31, 2015	46.42	47.55	5.09	99.06
Balance as at December 31, 2016	**46.42**	**35.51**	**4.19**	**86.12**

(₹ in Crores)

	Non-current		Current	
	2016	2015	**2016**	2015
11 Investments				
Non-trade investments (Valued at cost)				
Quoted:				
15,00,000 (December 31, 2015: 15,00,000) 6.25%, 2018 Government of India Bonds of ₹ 100 each.	**15.96**	15.96	**-**	-
Unquoted:				
1,000 (December 31, 2015: 1,000) Equity shares of ₹ 25 each fully paid up in Co-operative Bank of Baroda	**0.01**	0.01	**-**	-
10 (December 31, 2015: 10) 5.95%, 15 years Non-cumulative bonds of Karnataka Water & Sanitation Pooled Fund Trust of ₹ **333,334** (December 31, 2015: ₹ 416,667) each.	**0.26**	0.34	**0.08**	0.08
	16.23	16.31	**0.08**	0.08
Aggregate amount of				
Quoted investments (Market Value: ₹ **14.98 Crores**, (December 31, 2015: ₹ 14.67 Crores))	**15.96**	15.96	**-**	-
Unquoted investments	**0.27**	0.35	**0.08**	0.08

(₹ in Crores)

	2016	2015
12 Deferred tax assets (net)		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	**141.47**	148.00
Gross deferred tax liability	**141.47**	148.00
Deferred tax assets		
Provision for doubtful debts and advances	**175.60**	162.08
Expenditure debited to the statement of profit and loss but allowable for tax purpose in following years	**39.71**	23.37
Others	**4.52**	11.51
Gross deferred tax assets	**219.83**	196.96
Deferred tax assets (net)	**78.36**	48.96

(₹ in Crores)

	Non-current		Current	
	2016	2015	**2016**	2015
13 Loans and advances				
Capital advances				
Unsecured, considered good	**5.60**	5.05	**-**	-
Security deposits				
Unsecured, considered good	**25.16**	31.74	**11.76**	7.60
Advances to related parties (refer note 40)				
Unsecured, considered good	**-**	-	**7.90**	6.48
Advances recoverable in cash or kind				
Unsecured, considered good	**5.13**	-	**45.20**	52.86
Considered doubtful	**5.17**	4.77	**-**	-
	10.30	4.77	**45.20**	52.86
Less: Provision for doubtful advances	**5.17**	4.77	**-**	-
	5.13	-	**45.20**	52.86
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net of provision for tax ₹ **2,191.71 crores**, December 31, 2015: ₹ 1,962.79 crores)	**178.40**	190.37	**-**	-
Prepaid expenses	**-**	-	**16.63**	12.11
Loans to employees	**-**	-	**5.37**	6.01
Balances with statutory/government authorities	**-**	-	**144.34**	77.41
Taxes and duties recoverable				
Considered good	**166.31**	195.04	**99.58**	115.61
Considered doubtful	**-**	-	**-**	-
	166.31	195.04	**99.58**	115.61
Less: Provision for doubtful advances	**-**	-	**-**	-
	166.31	195.04	**99.58**	115.61
	344.71	385.41	**265.92**	211.14
Total loans and advances	**380.60**	422.20	**330.78**	278.08

Taxes and duties recoverable includes amount paid under protest

(₹ in Crores)

	Non-current		Current	
	2016	2015	**2016**	2015
14 Other assets				
Unsecured, considered good				
Non current bank balances (refer note 17)	**7.23**	6.69	**-**	-
Contract revenue in excess of billing / unbilled revenue	**-**	-	**358.60**	348.21
Interest accrued on fixed deposits	**-**	-	**1.91**	0.45
Interest accrued on investments	**-**	-	**0.48**	0.48
Assets held for sale*	**-**	-	**4.77**	6.10
Other receivables	**-**	-	**34.44**	34.48
Total other assets	**7.23**	6.69	**400.20**	389.72

*Assets held for sale relates to plant and equipment having gross block ₹ **18.12** crores and accumulated depreciation / impairment ₹ **13.35** crores.

(₹ in Crores)

	2016	2015
15 Inventories (valued at lower of cost and net realisable value)		
Raw materials and components (Including goods-in-transit of ₹ **111.71 crores**, December 31, 2015: ₹ 83.08 crores) (refer note 20)	**586.82**	519.57
Work-in-progress (refer note 22)	**292.78**	348.61
Finished goods (refer note 22)	**45.89**	57.03
Traded goods (refer note 22)	**12.12**	11.79
Stores and spares	**2.64**	2.57
Total inventories	**940.25**	939.57

(₹ in Crores)

		Non-current		Current	
		2016	2015	**2016**	2015
16 Trade receivables					
Unsecured					
Outstanding for a period exceeding six months from the date they are due for payment					
Unsecured, considered good		**-**	-	**187.85**	250.72
Considered doubtful		**341.47**	289.61	**160.76**	180.42
		341.47	289.61	**348.61**	431.14
Less: Provision for doubtful receivables		**341.47**	289.61	**160.76**	180.42
	(A)	**-**	-	**187.85**	250.72
Other receivables					
Unsecured, considered good		**-**	-	**2,875.48**	3,140.21
Considered doubtful		**-**	-	**-**	-
		-	-	**2,875.48**	3,140.21
Less: Provision for doubtful receivables		**-**	-	**-**	-
	(B)	**-**	-	**2,875.48**	3,140.21
Total (A + B)		**-**	-	**3,063.33**	3,390.93
Trade receivables include:					
Dues from ABB Global Industries and Services Private Limited, in which the Company's Managing Director is a director.		**-**	-	**6.60**	11.12
Dues from Lafarge India Private Limited in which one of the Company's Director is a Director.		**-**	-	**-**	1.34

(₹ in Crores)

	Non-current		Current	
	2016	2015	**2016**	2015
17 Cash and bank balances				
Cash and cash equivalents				
Balances with banks				
- On current accounts	**-**	-	**146.82**	131.23
- Deposit accounts (Original maturity upto 3 months)	**-**	-	**950.00**	240.00
Cheques / drafts on hand	**-**	-	**90.09**	200.31
Cash on hand	**-**	-	**0.01**	0.01
	-	-	**1,186.92**	571.55
Other bank balances				
Unpaid dividend account	**-**	-	**2.24**	2.04
Margin money deposit	**7.23**	6.69	**-**	-
	7.23	6.69	**2.24**	2.04
Less: Disclosed under other assets (refer note 14)	**7.23**	6.69	**-**	-
Total cash and bank balance	**-**	**-**	**1,189.16**	**573.59**

(₹ in Crores)

	2016	2015
18 Revenue from operations (net)		
Sale of products and services		
Sale of products	**7,941.89**	7,469.31
Sale of services	**573.67**	545.84
	8,515.56	8,015.15
Other operating revenues		
Scrap sales	**20.66**	22.93
Commission income	**6.35**	2.38
Income from development services	**54.47**	52.35
Miscellaneous income	**51.33**	47.46
	132.81	125.12
Revenue from operations (net)	**8,648.37**	8,140.27
Detail of sale of products and services		
(i) Sale of products		
Switchgear of all types	**2,258.75**	2,116.73
Transformers	**814.21**	755.55
Electronic control and supply units for variable speed drives and other applications	**1,263.24**	1,050.81
Motors and other machines	**747.59**	704.62
Others	**2,858.10**	2,841.60
	7,941.89	7,469.31
(ii) Sale of services		
Erection, commissioning and other engineering services	**573.67**	545.84
	573.67	545.84
	8,515.56	8,015.15

The above includes revenue from construction contracts (refer note 39).

(₹ in Crores)

	2016	2015
19 Other income		
Interest income from deposits with bank	**18.69**	0.85
Interest income from long-term investments	**0.96**	0.97
Interest income - on tax refunds etc.	**18.15**	11.22
Profit on sale of fixed assets (net)	**27.47**	-
	65.27	13.04
20 Cost of raw materials and components consumed and project bought outs		
Opening stock	**519.57**	522.56
Add: Purchases during the year	**4,708.61**	4,557.52
Less: Closing stock	**586.82**	519.57
	4,641.36	4,560.51
Details of raw materials and components consumed and project bought outs		
Electrical motors, generators, drives, components and equipments	**779.48**	729.23
Protecting and control elements	**345.99**	327.28
Sheet metal components, casting and forging	**322.71**	305.64
Non ferrous metal and alloys	**292.02**	291.94
Power convertors	**358.89**	323.27
Electronic components and equipments	**353.40**	308.80
Wires, cables and conductors	**209.54**	242.30
Ferrous metals and alloys	**190.25**	172.28
Others	**1,789.08**	1,859.77
	4,641.36	4,560.51
The above amount includes project bought outs of ₹ **1,019.65 crores** (December 31, 2015 - ₹ 796.07 crores)		
Details of inventory		
Raw materials and components		
Protecting and control elements	**102.03**	105.59
Electrical motors, generators, drives, components and equipments	**99.31**	99.39
Electronic components and equipments	**60.27**	56.13
Mechanical components	**40.92**	43.72
Power convertors	**43.32**	29.62
Non ferrous metal and alloys	**31.64**	27.69
Others	**209.33**	157.43
	586.82	519.57
21 Purchases of traded goods		
Motors and other machines	**80.47**	75.69
Transformers	**15.13**	7.64
Switchgears	**16.53**	5.45
Power invertors	**4.77**	3.44
Others	**284.69**	229.42
	401.59	321.64

(₹ in Crores)

	2016	2015
22 (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods		
Opening stock		
- Finished goods	**57.03**	65.22
- Work-in-progress	**348.61**	289.68
- Traded goods	**11.79**	13.97
	417.43	368.87
Closing stock		
- Finished goods	**45.89**	57.03
- Work-in-progress	**292.78**	348.61
- Traded goods	**12.12**	11.79
	350.79	417.43
	66.64	(48.56)
Details of inventory of finished goods, work-in-progress and traded goods		
Finished Goods		
Motors and other machines	**2.73**	6.68
LV switchgear products	**11.82**	15.11
Transformers	**0.80**	0.66
MV switchgears	**2.31**	3.42
Others	**28.23**	31.16
	45.89	57.03
Work - in - progress		
Transformers	**67.03**	100.06
MV switchgears	**18.63**	9.12
Motors and other machines	**34.20**	31.83
Variable speed AC/DC Drive system and other applications	**44.86**	32.78
LV switchgear products	**16.51**	18.96
Others	**111.55**	155.86
	292.78	348.61
Traded goods		
Motors and other machines	**11.63**	11.43
Others	**0.49**	0.36
	12.12	11.79
23 Employee benefit expenses		
Salaries, wages and bonus	**649.08**	645.77
Gratuity (refer note 46)	**26.56**	11.65
Provident fund (refer note 46)	**18.82**	16.71
Contribution to superannuation and other funds	**23.63**	24.07
Staff welfare expenses	**39.12**	37.66
Training, recruitment and transfer expenses	**10.61**	14.01
	767.82	749.87
24 Finance costs		
Interest expenses	**72.51**	80.69
Bill discounting and other charges	**12.41**	10.47
	84.92	91.16

(₹ in Crores)

	2016	2015
25 Depreciation, amortisation and impairment expense		
Depreciation of tangible assets	**136.08**	137.84
Amortisation of intangible assets	**14.87**	16.40
Impairment of intangible assets	**-**	5.55
	150.95	159.79
26 Other expenses		
Consumption of stores and spares	**28.85**	26.66
Packing expenses	**31.04**	28.86
Royalty and technology fees	**306.20**	248.89
Freight and forwarding	**103.85**	90.06
Postage and telephone	**10.30**	9.71
Commission (other than sole selling agent)	**5.27**	11.62
Discount	**6.70**	4.15
Power and fuel	**64.36**	58.20
Travelling and conveyance	**136.62**	123.90
Insurance	**16.04**	14.23
Rates and taxes	**39.55**	17.00
Rent	**42.30**	52.93
Repairs :		
Buildings	**6.19**	4.80
Plant and machinery	**30.11**	25.96
Others	**7.24**	7.15
Provision for doubtful debts and advances (net)	**32.59**	46.21
Bad debts / advances written off	**39.96**	23.82
Loss on sale of fixed assets (net)	**-**	6.72
Printing and stationery	**6.93**	5.96
Bank charges	**15.71**	15.07
CSR expenditure (refer note no. 47)	**7.41**	1.70
Legal and professional	**33.21**	29.34
Auditor's remuneration (refer note below)	**2.34**	2.43
Trade-mark fees	**66.99**	63.76
Information technology expenses	**144.01**	123.92
Exchange rate difference - loss (net)	**48.72**	34.13
Director's fees and commission	**1.08**	0.90
Services from third parties	**81.93**	77.84
Testing and inspection charges	**22.63**	17.62
Seminar and publicity expenses	**8.54**	21.21
Group management fees etc.	**113.53**	84.82
Miscellaneous	**56.42**	98.32
	1,516.62	1,377.89
Auditor's remuneration (excluding service tax)		
As auditor:		
Audit fee	**1.02**	1.02
Tax audit fee	**0.26**	0.26
Limited review	**0.39**	0.39
In other capacity:		
Sox and group reporting fees	**0.50**	0.50
Certification, etc	**0.05**	0.21
Reimbursement of expenses	**0.12**	0.05
	2.34	2.43
27 Earning per share (EPS)		
a) Net profit for calculation of basic and diluted EPS	**376.25**	299.88
b) Weighted average number of shares for calculation of EPS	**21,19,08,375**	21,19,08,375
c) Nominal value of shares (in ₹)	**2.00**	2.00
d) Earnings per share- Basic and diluted (in ₹)	**17.76**	14.15

28. Segment reporting

A) Primary segment reporting (by business segments)

i) Composition of business segments

The Company's business segments are organized around products and system solutions provided to its customers, which include utilities, industries, channel partners and original equipment manufacturers.

Discrete Automation and Motion segment (DM) provides products, with related services, that are used as components in machinery and automation systems. The segment covers a wide range of products and services including power electronics systems, motors and generators, drives, robots etc.

Electrification Products segment (EP) manufactures low- and medium-voltage circuit breakers, switches, control products, wiring accessories, enclosures and cable systems to protect people, installations and electronic equipment from electrical overload. The division further makes KNX systems that integrate and automate a building's electrical installations, ventilation systems, and security and data communication networks. Electrification Products also incorporates an Electrification Solutions unit manufacturing low voltage switchgear and motor control centres. Customers include a wide range of industry and utility operations, plus commercial and residential buildings.

Process Automation segment (PA) provides customers with integrated solutions for control, plant optimization and industry specific application knowledge. The industries served include oil and gas, power, chemicals and pharmaceuticals, pulps and paper, metals and minerals, marine and turbo charging.

"**Power Grids segment (PG)** offers key components for the transmission and distribution of electricity. The division also offers turnkey systems and service for power transmission and distribution grids, and for power plants. Electrical substations and substation automation systems are key areas. Additional highlights include flexible AC transmission systems (FACTS), high-voltage direct current (HVDC) systems and network management systems."

ii) The accounting policies used in the preparation of the financial statements of the Company are also applied for segment reporting.

iii) Segment revenues, expenses, assets and liabilities are those, which are directly attributable to the segment or are allocated on an appropriate basis. Corporate and other revenues, expenses, assets and liabilities to the extent not allocable to segments are disclosed in the reconciliation of reportable segments with the financial statements.

iv) Inter segment transfer pricing

Inter segment prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimization objective for the Company.

v) The segment disclosures have been revised in the current year effective January 1, 2016 and presented in line with Company's new organisation structure.

The Company has realigned its segment into four divisions: Discrete Automation and Motion, Electrification Products, Process Automation and Power Grids. The evolving requirements of the utility customers are reflected in the new Power Grids division. The other three divisions will cater to industry, transport and infrastructure. Low and Medium voltage businesses have been combined to form the new Electrification Products division.

vi) Figures in brackets are in respect of the previous year.

vii) Segment revenues, results and other information

(₹ in Crores)

	Discrete Automation and Motion	Electrification Products	Process Automation	Power Grids	Total
External sales	**2,219.94**	**1,563.98**	**1,282.97**	**3,418.10**	**8,484.99**
(net of excise duty)	(1,948.45)	(1,462.87)	(1,295.40)	(3,283.52)	(7,990.24)
Inter segment sales	**95.59**	**180.14**	**37.08**	**65.47**	**378.28**
	(104.51)	(152.79)	(34.49)	(201.82)	(493.61)
Other operating revenue	**21.21**	**31.53**	**6.03**	**44.46**	**103.23**
	(09.46)	(35.24)	(6.66)	(48.02)	(99.38)
Segment revenues	**2,336.74**	**1,775.65**	**1,326.08**	**3,528.03**	**8,966.50**
	(2,062.42)	(1,650.90)	(1,336.55)	(3,533.36)	(8,583.23)
Segment results	**222.33**	**245.82**	**154.10**	**174.63**	**796.88**
	(169.69)	(190.81)	(149.58)	(216.22)	(726.30)
Segment assets	**1,181.40**	**863.89**	**934.94**	**2,927.29**	**5,907.52**
	(1,066.98)	(873.73)	(973.94)	(3,380.07)	(6,294.72)
Segment liabilities	**808.38**	**490.35**	**520.07**	**1,774.28**	**3,593.08**
	(734.39)	(473.49)	(552.77)	(1,801.27)	(3,561.92)
Capital expenditure	**22.34**	**25.15**	**5.49**	**32.95**	**85.93**
	(17.55)	(34.45)	(6.32)	(27.69)	(86.01)
Depreciation / amortisation	**20.38**	**34.21**	**4.19**	**56.40**	**115.18**
	(22.60)	(34.22)	(4.17)	(63.69)	(124.68)
Impairment loss	**-**	**-**	**-**	**-**	**-**
	(-)	(-)	(5.55)	(-)	(5.55)
Other non-cash expenses/ reversals	**2.19**	**-10.79**	**-7.95**	**40.17**	**23.62**
	(2.44)	(-0.15)	(18.97)	(23.96)	(45.22)

viii) Reconciliation of reportable segments with the financial statements

(₹ in Crores)

	Revenues	Results / Net profit	Capital expenditure	Assets	Liabilities
Total segments	**8,966.50**	**796.88**	**85.93**	**5,907.52**	**3,593.08**
	(8,583.23)	(726.30)	(86.01)	(6,294.72)	(3,561.92)
Corporate - unallocated (net)	**125.42**	**-135.91**	**52.76**	**1,821.39**	**853.05**
	(63.69)	(-160.55)	(23.60)	(1,114.11)	(838.36)
Inter segment sales	**-378.28**	**-**	**-**	**-**	**-**
	(-493.61)	(-)	(-)	(-)	(-)
Interest expense	**-**	**-84.92**	**-**	**-**	**-**
	(-)	(-91.16)	(-)	(-)	(-)
Provision for tax	**-**	**-199.80**	**-**	**-**	**-**
	(-)	(-174.71)	(-)	(-)	(-)
As per financial statements	**8,713.64**	**376.25**	**138.69**	**7,728.91**	**4,446.13**
	(8,153.31)	(299.88)	(109.61)	(7,408.83)	(4,400.28)

B) Secondary segment reporting (by geographical segments)

Secondary segment disclosures are reported on the basis of geographical location of customers. Segment assets and capital expenditure are based on location of assets.

(₹ in Crores)

	India	Rest of world	Total
Segment revenues	**7,450.64**	**1,263.00**	**8,713.64**
	(7,220.76)	(932.55)	(8,153.31)
Segment assets	**7,229.57**	**499.34**	**7,728.91**
	(7,037.69)	(371.14)	(7,408.83)
Segment capital expenditure	**138.69**	**-**	**138.69**
	(109.61)	-	(109.61)

(₹ in Crores)

As at December 31,	**2016**	2015
29. Contingent liabilities		
i) Excise duty / service tax and sales tax liabilities in dispute	**528.25**	590.72
ii) Custom duty liabilities in dispute	**2.31**	2.54
iii) Claims against the Company not acknowledged as debts	**74.87**	14.05
iv) Income tax matters in dispute	**45.37**	26.53

The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/courts. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position.

In respect of the above contingent liabilities, the future cash outflows are determinable only on receipt of judgement pending at various forums / authorities.

(₹ in Crores)

	2016	2015
30. Capital and other commitments		
Estimated amount of contracts remaining to be executed on account of capital and other commitments and not provided for (net of advances)	**69.43**	56.42

31. The Company has taken several premises and vehicles under cancellable and non-cancellable operating leases. These lease agreements are normally for one to ten years and have option of renewal on expiry of lease period based on mutual agreement. Rental expenses towards cancellable and non-cancellable operating lease charged to the statement of profit and loss amounts to ₹ **42.30 crores** (Previous Year ₹ 52.93 crores).

Some of the lease agreements have escalation clause ranging from 5% to 15%. There are no exceptional / restrictive covenants in the lease agreement. There are no assets given on operating lease.

Future minimum rentals payable under non-cancellable operating leases are as follows:

(₹ in Crores)

	2016	2015
Within one year	**14.83**	11.82
After one year but not more than five years	**12.82**	18.36
More than five years	**0.70**	-
	28.35	30.18

32. Excise duty on sales amounting to ₹ **541.31 crores** (Previous year ₹ 530.43 crores) has been reduced from sales in the statement of profit and loss. Excise duty reversal on decrease in inventory of finished goods amounting to ₹ **1.15 crores** (Previous year ₹ 0.90 crores) has been accounted in the statement of profit and loss under the head (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods.

33. Short term borrowings represent unsecured overdraft facility from banks. The same is repayable on demand and carries interest @ 9% to 11% p.a.

		(₹ in Crores)
For the year ended December 31,	**2016**	2015
34. Earnings in foreign currency		
(on accrual basis)		
i) Export of goods on FOB basis	**1,067.89**	874.68
ii) Goods supplied/services rendered locally against foreign exchange remittances	**34.31**	34.39
iii) Erection & other services	**102.76**	87.37
iv) Other income:		
a) Commission	**6.35**	2.38
b) Development services and others	**86.20**	67.38
	1,297.51	1,066.20

35. Consumption of raw materials, components and stores and spares

				(₹ in Crores)
	2016		2015	
	%	**Amount**	%	Amount
Imported	**56.65**	**2,068.16**	51.39	1,948.34
Indigenously acquired	**43.35**	**1,582.40**	48.61	1,842.76
	100.00	**3,650.56**	100.00	3,791.10

		(₹ in Crores)
For the year ended December 31,	**2016**	2015
36. Value of imports on CIF basis		
(on accrual basis)		
Raw materials	**265.75**	233.43
Components and spares	**1,614.40**	1,537.79
Finished goods	**8.89**	11.13
Capital goods including technical know-how	**14.43**	16.17
Project items	**361.62**	303.08
	2,265.09	2,101.60
37. Expenditure in foreign currency		
(on accrual basis)		
Royalty and technology Fees	**292.16**	237.44
Trade-mark fees	**66.99**	63.81
Travelling and conveyance	**13.90**	13.00
Information technology expenses	**90.84**	74.61
Interest on non-convertible bond	**44.75**	15.31
Others	**142.74**	126.56
	651.38	530.73
38. Amount remitted during the year in foreign currency, on account of dividend		
i) Number of non resident shareholders	**3**	3
ii) Number of equity shares held by them on which dividend was paid	**15,89,31,986**	15,89,31,986
iii) Year ended to which the dividend related December 31,	**2015**	2014
iv) Amount remitted	**58.80**	58.80
39. Construction Contracts		
Contract revenue recognised for the financial year	**2,319.84**	2,859.37
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all the contracts in progress up to the reporting date	**9,386.58**	9,520.54
Amount of customer advances outstanding for contracts in progress	**257.61**	342.23
Amount of retentions due from customers for contracts in progress	**721.35**	870.14
Amount due from customers for contracts in progress	**1,291.65**	1,272.70

40. Related party disclosures

a) List of related parties

Party where control exists:

ABB Limited, Zurich, Switzerland (Ultimate Holding Company)
ABB Asea Brown Boveri Limited, Zurich, Switzerland (Holding Company)

Other Related parties with whom transactions have taken place during the year:

Fellow subsidiaries:

ABB (Asea Brown Boveri), S.A., Oeiras, Portugal
ABB (China) Ltd., Beijing, China
ABB (Hong Kong) Ltd., Hong Kong, Hong Kong
ABB (Namibia) (Pty) Ltd., Windhoek, Namibia
ABB (Private) Ltd., Harare, Zimbabwe
ABB (Pty) Ltd., Gaborone, Botswana
ABB (Pvt) Ltd., Lahore, Pakistan
ABB A/S, Skovlunde, Denmark
ABB AB, Västerås, Sweden
ABB AG, Mannheim, Germany
ABB AG, Vienna, Austria
ABB AS, Billingstad, Norway
ABB AS, Jüri, Estonia
ABB Manufacturing Sdn. Bhd., Subang Jaya, Malaysia
ABB Australia Pty Limited, Moorebank, NSW, Australia
ABB Automation Co. Ltd., Riyadh, Saudi Arabia
ABB Automation GmbH, Mannheim, Germany
ABB Automation L.L.C., Abu Dhabi, United Arab Emirates
ABB Automation Products GmbH, Ladenburg, Germany
ABB B.V., Rotterdam, Netherlands
ABB Bailey Beijing Engineering Co. Ltd., Beijing, China
ABB Bailey Japan Limited, Shizuoka-Ken, Japan
ABB Beijing Drive Systems Co. Ltd., Beijing, China
ABB Beteiligungs-Management GmbH, Mannheim, Germany
ABB Bulgaria EOOD, Sofia, Bulgaria
ABB Business Services Sp. z o.o., Warsaw, Poland
ABB Canada Holding Limited Partnership, Saint-Laurent, Canada
ABB Capital B.V., Rotterdam, Netherlands
ABB Chongqing Transformer Company Ltd., Chongqing, China
ABB Contracting Company Ltd., Riyadh, Saudi Arabia
ABB d.o.o., Belgrade, Serbia
ABB Ecuador S.A., Quito, Ecuador
ABB Electrical Industries Ltd., Riyadh, Saudi Arabia
ABB Electrical Machines Ltd., Shanghai, China
ABB Elektrik Sanayi A.S., Istanbul, Turkey
ABB Engg. Technologies Co. (KSCC), Safat, Kuwait
ABB Engineering (Shanghai) Ltd., Shanghai, China
ABB Engineering Trading and Service Ltd., Budapest, Hungary
ABB Enterprise Software Inc., Atlanta, GA, United States
ABB Enterprise Software UK Limited, Warrington, United Kingdom
ABB ESAP Limited, St. Peter's Port, Guernsey
ABB Finance B.V., Rotterdam, Netherlands
ABB for Electrical Industries (ABB ARAB) S.A.E., Cairo, Egypt
ABB France, Cergy Pontoise, France
ABB FZ-LLC, Dubai, United Arab Emirates
ABB Generators Ltd., Nanchang, China
ABB Genway Xiamen Electrical Equipment Co. Ltd., Xiamen, China
ABB Global Industries and Services Private Limited, Bengaluru, India
ABB Global Marketing FZ LLC, Dubai, United Arab Emirates
ABB Hefei Transformer Co. Ltd., Hefei, China
ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China
ABB High Voltage Switchgear Co., Ltd. Beijing, Beijing, China
ABB Holdings B.V., Rotterdam, Netherlands
ABB Holdings Sdn. Bhd., Subang Jaya, Malaysia
ABB Import & Export Services Ltd., Oranjestad/Aruba (NA), Aruba
ABB Inc., Cary, NC, United States
ABB Management Services Ltd., Zurich, Switzerland
ABB Inc., Saint-Laurent, Quebec, Canada
ABB Industries (L.L.C.), Dubai, United Arab Emirates
ABB Industries FZ, Dubai, United Arab Emirates
ABB Information Systems Ltd., Zurich, Switzerland
ABB International Marketing Ltd in liquidation, Zurich, Switzerland
ABB Intra AG, Baden, Switzerland
ABB Inzeniring d.o.o., Ljubljana, Slovenia
ABB Jiangjin Turbo Systems Company Limited, Chongqing, China
ABB Jiangsu Jingke Instrument Transformer Co., Ltd., Suqian, Jiangsu, China
ABB K.K., Tokyo, Japan
ABB Limited, Auckland, New Zealand
ABB Limited, Bangkok, Thailand
ABB Limited, Dar Es Salaam, Tanzania, United Republic of
ABB Limited, Dhaka, Bangladesh
ABB Limited, Dublin, Ireland
ABB Limited, Nairobi, Kenya
ABB Limited, Warrington, United Kingdom
ABB Limited/Jordan LLC., Amman, Jordan
ABB LLC, Doha, Qatar
ABB LLC, Muscat, Oman
ABB LLP., Almaty, Kazakhstan
ABB Logistics Center Europe GmbH, Menden, Germany
ABB Ltd., Hanoi, Vietnam
ABB Ltd., Kampala, Uganda
ABB Ltd., Kiev, Ukraine
ABB Ltd., Lusaka, Zambia
ABB Ltd., Moscow, Russian Federation
ABB Ltd., Seoul, Korea, Republic of
ABB Ltd., Taipei, Taiwan, Province of China
ABB Ltd., Zagreb, Croatia
ABB Ltda., Bogotá, Colombia
ABB Ltda., São Paulo, Brazil
ABB LV Installation Materials Co. Ltd. Beijing, Beijing, China
ABB Malaysia Sdn Bhd., Subang Jaya, Malaysia
ABB Mexico S.A. de C.V., San Luis Potosi SLP, Mexico
ABB Motion Limited, Bristol, United Kingdom
ABB N.V., Zaventem, Belgium
ABB Near East Trading Ltd., Amman, Jordan
ABB Norden Holding AB, Västerås, Sweden
ABB Oryx Motors and Generators Service LLC, Doha, Qatar
ABB Oy, Helsinki, Finland
ABB Power & Automation (Private) Limited, Lahore, Pakistan
ABB Power Equipment (Xiamen) Co., Ltd., Xiamen, China
ABB Power Protection SA, Gambarogno, Switzerland
ABB Pte. Ltd., Singapore, Singapore
ABB Research Ltd., Zurich, Switzerland
ABB S.A., Buenos Aires, Argentina
ABB S.A., Casablanca, Morocco
ABB S.A., Lima, Peru
ABB S.A., Panama, Panama
ABB S.A., Santiago, Chile
ABB S.p.A., Milan, Italy
ABB s.r.o., Prague, Czech Republic

ABB SARL, Kinshasa Gombe, Congo, Democratic Republic of the
ABB SAS, Cergy Pontoise, France
ABB Schweiz AG, Baden, Switzerland
ABB Sécheron S.A., Satigny, Switzerland
ABB Service Co. Ltd., Al Khobar, Saudi Arabia
ABB Shanghai Motors Co. Ltd., Shanghai, China
ABB Shanghai Transformer Co. Ltd., Shanghai, China
ABB Shenzhen New Energy System Co., Ltd , Shenzhen, China
ABB SIA, Riga, Latvia
ABB South Africa (Pty) Ltd., Longmeadow, South Africa
ABB Sp. z o.o., Warsaw, Poland
ABB Stotz-Kontakt GmbH, Heidelberg, Germany
ABB Striebel & John GmbH, Sasbach, Germany
ABB Technologies Ltd., Haifa, Israel
ABB Technologies S.A., Dakar, Senegal
ABB Technologies W.L.L., Bahrain, Bahrain
ABB Technology Oy, Helsinki, Finland
ABB Technology SA, Abidjan, Cote d'Ivoire
ABB Training Center GmbH & Co. KG, Heidelberg, Germany
ABB Transformers S.A.E., El-Nozha El-Gedida, Egypt
ABB Transmission & Distribution Limited LLC, Abu Dhabi, United Arab Emirates
ABB Turbo Systems (Hong Kong) Limited, Hong Kong, Hong Kong
ABB Turbo Systems AG, Baden, Switzerland
ABB Turbo Systems Holding Ltd., Baden, Switzerland
ABB Turbochargers S.A.E., Suez, Egypt
ABB UAB, Avizieniai , Lithuania
ABB Verwaltungs AG, Zurich, Switzerland
ABB Xiamen Electrical Controlgear Co. Ltd., Xiamen, China
ABB Xiamen Low Voltage Equipment Co. Ltd., Xiamen, China
ABB Xiamen Switchgear Co. Ltd., Xiamen, China
ABB Xi'an High Power Rectifier Company Limited, Xi'an, China
ABB Xi'an Power Capacitor Company Limited, Xi'an, China
ABB Xinhui Low Voltage Switchgear Co. Ltd., Xinhui , China
ABB Zhongshan Transformer Company Ltd., Zhongshan, China
ABB, Inc., Paranaque, Metro Manila, Philippines
ABB, s.r.o., Bratislava, Slovakia
ABB NG Limited, Lagos, Nigeria
Asea Brown Boveri Electrica SGPS (Angola) Limitada, Luanda, Angola
Asea Brown Boveri Industrial, Technical & Commercial Company of Imports – Exports S.A., Metamorphossis Attica , Greece
Asea Brown Boveri Lanka (Private) Limited, Colombo, Sri Lanka
Asea Brown Boveri Ltd., Moka, Mauritius
Asea Brown Boveri Ltda., La Paz, Bolivia, Plurinational State of
Asea Brown Boveri S.A., Caracas, Venezuela, Bolivarian Republic of
Asea Brown Boveri S.A., Douala, Cameroon
Asea Brown Boveri S.A., Madrid, Spain
Asea Brown Boveri S.A.E., Cairo, Egypt
Baldor Electric (Asia) PTE Ltd., Singapore, Singapore
Baldor Electric Company, Fort Smith, AR, United States
Busch-Jaeger Elektro GmbH, Lüdenscheid, Germany
Electrical Materials Center Co. Ltd, Riyadh, Saudi Arabia
Maska Power Transmission (Changzhou) Co.Ltd., Changzhou, China
Power-One Italy S.p.A., Terranuova Bracciolini (AR), Italy
Power-One Renewable Energy Solutions India Private Limited, Mumbai, India
Power-One Renewable Energy Solutions LLC, Delaware, United States
PT ABB Sakti Industri, Jakarta, Indonesia
Pucaro Elektro-Isolierstoffe GmbH, Roigheim, Germany
Shanghai ABB Power Transmission Company Ltd., Shanghai, China
Shantou Winride Switchgear Co., Ltd., Longhu District Shantou, China
Spirit IT B.V., Eindhoven, Netherlands
Sucursal Panama de ABB SA, Panama, Panama
Thomas & Betts Asia (Singapore) Pte. Ltd., Singapore, Singapore
Thomas & Betts Corporation, Knoxville, TN, United States
Thomas & Betts India Private Ltd., Hyderabad, India
Thomas & Betts Limited, Saint-Jean-sur-Richelieu, Quebec, Canada
Thomas & Betts Power Solutions LLC, Delaware, United States
Trasfor SA, Monteggio, Switzerland
Turbo Systems United Co. Ltd., Tokyo, Japan

Key Managerial Personnel :

Managing Director:	Mr. Sanjeev Sharma
Company Secretary:	Mr. B. Gururaj
Chief Financial Officer:	Mr. T.K. Sridhar

(₹ in Crores)

As at December 31,	**2016**	2015
b) Transactions with related parties		
Transaction value in excess of 10% with a fellow subsidiary has been individually disclosed below. All other cases have been grouped and disclosed as 'other fellow subsidiaries'.		
i) Revenue from operations		
Holding Company	**11.28**	4.90
Fellow Subsidiaries		
- ABB Schweiz AG, Baden, Switzerland	**98.94**	62.01
- ABB Pte. Ltd., Singapore, Singapore	**53.64**	105.56
- Other fellow subsidiaries	**618.46**	626.59
	771.04	794.16
	782.32	799.06

(₹ in Crores)

As at December 31,	2016	2015
ii) Purchases of raw materials, components , project items and traded goods		
Fellow Subsidiaries		
- ABB Dy. Helsinki, Finland	**386.28**	325.57
- ABB AB, Vasteras, Sweden	**152.05**	162.62
- Other fellow subsidiaries	**1055.69**	989.41
	1594.02	1477.60
iii) Expenditure on ESAP charges		
Fellow Subsidiaries		
- ABB ESAP Limited, St. Peters' Port, Guernsey	**0.38**	-
iv) Expenditure on royalty, technology and trade-mark fees		
Holding Company	**66.93**	63.76
Fellow Subsidiaries		
- ABB Schweiz AG, Baden, Switzerland	**274.67**	218.23
- Other fellow subsidiaries	**17.47**	19.23
	292.14	237.46
	359.07	301.22
v) Expenditure on information technology, engineering, management and other services		
Holding Company	**15.72**	30.41
Fellow Subsidiaries		
- ABB Information Systems Ltd., Zurich, Switzerland	**91.23**	54.75
- ABB Management Services Limited, Zurich, Switzerland	**58.21**	32.83
- ABB Global Industries and Services Private Limited, Bengaluru, India	**50.55**	32.87
- ABB Oy., Helsinki, Finland	**27.45**	27.49
- Other fellow subsidiaries	**38.35**	45.56
	265.79	193.50
	281.51	223.91
vi) Expenses recovered from group companies		
Holding Company	**1.34**	-
Fellow Subsidiaries		
- ABB AB, Västerås, Sweden	**18.95**	16.33
- ABB Management Services Limited, Zurich, Switzerland	**9.55**	-
- ABB Global Industries and Services Private Limited, Bengaluru, India	**8.82**	-
- Other fellow subsidiaries	**11.98**	11.42
	49.30	27.75
	50.64	27.75
vii) Capital expenditure for technical know-how		
Fellow Subsidiaries		
- ABB S.p.A., Milan, Italy	**0.79**	1.32
- ABB Oy., Helsinki, Finland	**0.40**	-
- Other fellow subsidiaries	**-**	0.18
	1.19	1.50
viii) Other capital expenditure		
Fellow Subsidiaries		
- ABB AB, Västerås, Sweden	**3.43**	0.18
- ABB Schweiz AG, Baden, Switzerland	**1.04**	-
- ABB Oy, Helsinki, Finland	**0.85**	0.23
- ABB S.p.A., Milan, Italy	**0.19**	0.81
- ABB Power Equipment (Xiamen) Co., Ltd., Xiamen ,China	**0.16**	0.83
- Newave SA, Gambarogno, Switzerland	**-**	0.44
- Other fellow subsidiaries	**1.51**	1.25
	7.18	3.74

(₹ in Crores)

As at December 31,	2016	2015
ix) Sale of assets (net)		
Fellow Subsidiaries		
- ABB Bulgaria EOOD, Sofi, Bulgaria.	**-**	12.34
- ABB Limited, Auckland, New Zealand.	**-**	0.63
	-	12.97
x) Long term borrowings received during the year		
Holding Company	**-**	600.00
xi) Interest Expenses		
Fellow Subsidiaries		
- ABB Capital B.V., Rotterdam, Netherlands.	**44.75**	15.31
xii) Dividend paid during the year		
Holding Company	**54.16**	54.16
Fellow Subsidiaries	**4.64**	4.64
	58.80	58.80
xiii) Remuneration to Managing Director	**4.00**	3.52
xiv) Remuneration to Company Secretary	**1.02**	0.94
xv) Remuneration to Chief Financial Officer	**1.13**	0.81
Remuneration to key managerial personnel does not include provision for leave encashment and gratuity as it is provided in the books on the basis of actuarial valuation for the Company as a whole.		
c) Amount due to / from related parties		
Balances in excess of 10% with a fellow subsidiary has been individually disclosed below. All other cases have been grouped and disclosed as 'other fellow subsidiaries'.		
i) Trade receivables		
Fellow Subsidiaries		
- ABB Schweiz AG, Baden, Switzerland	**32.04**	-
- Other fellow subsidiaries	**182.95**	194.27
	214.99	194.27
- Add/ (Less): Impact of foreign currency restatement	**1.72**	(6.98)
	216.71	187.29
ii) Loans and advances		
Fellow Subsidiaries		
- ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China	**1.89**	1.87
- ABB AB., Västerås, Sweden	**1.24**	1.67
- ABB Oy, Helsinki, Finland	**1.59**	1.41
- ABB Schweiz AG, Baden, Switzerland	**1.83**	0.98
- ABB Turbo Systems AG, Baden, Switzerland	**1.57**	-
- Other fellow subsidiaries	**-**	0.68
	8.12	6.61
- Add/ (Less) :Impact of foreign currency restatement	**(0.22)**	(0.13)
	7.90	6.48
iii) Other current assets		
Holding Company	**2.65**	2.84
Fellow Subsidiaries		
- ABB Global Industries and Services Private Limited.,Bengaluru,India	**6.00**	16.34
- ABB Schweiz AG, Baden, Switzerland	**17.59**	7.91
- Other fellow subsidiaries	**6.64**	5.66
	30.23	29.91
	32.88	32.75
- Add/ (Less) :Impact of foreign currency restatement	**0.07**	0.02
	32.95	32.77

(₹ in Crores)

As at December 31,	2016	2015
iv) Trade payables		
Fellow Subsidiaries		
- ABB Oy, Helsinki, Finland	**143.54**	122.38
- ABB AB, Västerås, Sweden	**56.25**	50.08
- ABB Schweiz AG, Baden, Switzerland	**42.93**	63.19
- Other fellow subsidiaries	**353.12**	336.81
	595.84	572.46
- Add/ (Less): Impact of foreign currency restatement	**(3.17)**	4.75
	592.67	577.21
v) Other liabilities		
Holding Company	**11.53**	20.79
Fellow Subsidiaries		
- PT ABB Sakti Industri.,Jakarta,Indonesia	**3.16**	5.70
- Other fellow subsidiaries	**18.42**	21.22
	21.58	26.92
	33.11	47.71
- Add/ (Less) :Impact of foreign currency restatement	**0.02**	0.18
	33.13	47.89
vi) Interest accrued but not due		
Fellow Subsidiaries		
- ABB Capital B.V., Rotterdam, Netherlands.	**3.13**	3.56
vii) Long term borrowings outstanding		
Fellow Subsidiaries		
- ABB Capital B.V., Rotterdam, Netherlands.	**600.00**	600.00

There are no loans/ advances/ investment made by the Company in its Holding Company, Subsidiary, Associate or loans / advances to any Director.

41. Exchange rate variation - (gain) / loss (net) for the year includes gain on account of fair valuation of foreign exchange forward contracts for firm trade commitments amounting to ₹ **5.14 crores** (Previous Year gain of ₹ 0.74 crores).

42. Provisions

a) Movement in provisions: (Figures in brackets are in respect of the previous year)

(₹ in Crores)

Class of provisions	As at January 1, 2016	Additions	Amounts used	Unused Amounts reversed	As at December 31, 2016
Warranties	**144.15**	**131.00**	**54.45**	**68.46**	**152.24**
	(125.33)	(157.58)	(53.97)	(84.79)	(144.15)
Loss orders	**49.58**	**35.47**	**51.15**	**-**	**33.90**
	(55.60)	(47.45)	(53.47)	-	(49.58)
Litigations	**11.98**	**-**	**-**	**-**	**11.98**
	(11.98)	-	-	-	(11.98)
Sales tax	**86.38**	**22.82**	**2.75**	**9.30**	**97.15**
	(80.88)	(29.73)	(0.57)	(23.66)	(86.38)

b) Nature of provisions:

i) Warranties: The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at December 31, 2016 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.

43. The employees of the Company are entitled to purchase shares of ABB Limited., Zurich (the ultimate holding company) on the settlement date, at a price fixed based on the fair market price on the grant date under ABB employee share acquisition plan. During the year, the Company has been cross charged ₹ **0.38 crores** (Previous Year ₹ Nil crores) towards the above including administrative charges and this has been charged in the statement of profit and loss under the head salaries, wages and bonus.

The Institute of Chartered Accountants of India has issued a guidance note on accounting for 'employee share-based payments', which is applicable to employee share based payment plans. The scheme detailed above is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the ultimate holding company, except for the obligation towards expenses cross charged as above. Accordingly, the Company is of the opinion that there is no further accounting treatment/ disclosure required under the said guidance note.

44. Derivative Instruments

i) Forward cover for foreign currency trade receivables outstanding as of balance sheet date is ₹ **328.10 crores** (Previous Year ₹ 271.45 crores).
ii) Forward cover for expected future sales or highly probable forecast transaction as of balance sheet date is ₹ **136.88 crores** (Previous Year ₹ 433.12 crores).
iii) Forward cover for foreign currency trade payables outstanding as of balance sheet date is ₹ **732.80 crores** (Previous Year ₹ 716.56 crores).
iv) Forward cover for expected future purchases or highly probable forecast transaction as of balance sheet date is ₹ **176.42 crores** (Previous Year ₹ 440.94 crores).
v) Foreign currency exposure (net) that are not hedged by derivative instruments or otherwise is payable ₹ **354.69 crores** (Previous year payable was ₹ 187.33 crores).

45. Commodity Contracts

The Company uses commodity future contracts to hedge risk against fluctuation in commodity prices. The following are outstanding future contracts entered into by the Company as on December 31, 2016

Year	Commodity	Number of contracts	Contractual quantity	Buy / Sell
2016	**Copper**	**48**	**971 MTs**	**Buy**
2016	**Silver**	**18**	**55,800 Ounce**	**Buy**
2015	Copper	52	1,033 MTs	Buy
2015	Silver	21	50,312 Ounce	Buy

46. The Company has defined benefit gratuity plan and provident fund plan managed by trusts. The following table summarises the component of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet.

(₹ in Crores)

		2016		2015	
		Gratuity	**Provident Fund**	Gratuity	Provident Fund
i)	**Change in benefit obligations**				
	Projected benefit obligations at beginning of the period	**113.92**	**484.95**	106.68	427.66
	Current service cost	**9.40**	**17.72**	9.18	16.63
	Contribution by plan participants (employees)	**-**	**49.87**	-	48.71
	Transfer of employees	**-**	**(39.07)**	-	-
	Interest cost	**8.43**	**38.92**	7.99	37.46
	Benefits paid	**(17.06)**	**(47.26)**	(13.64)	(44.55)
	Actuarial loss/(gain)	**17.78**	**1.44**	3.71	(0.96)
	Projected benefit obligations at the end of the period	**132.47**	**506.57**	113.92	484.95
ii)	**Change in plan assets**				
	Plan assets at the beginning of the period, at fair value	**112.57**	**487.55**	97.97	430.62
	Contributions	**12.91**	**67.17**	19.01	65.06
	Expected return on plan assets	**9.72**	**39.26**	8.86	36.42
	Transfer of employees	**-**	**(39.07)**	-	-
	Actuarial (loss)/gain	**(0.67)**	**-**	0.37	-
	Benefits paid	**(17.06)**	**(47.26)**	(13.64)	(44.55)
	Plan assets at the end of the period, at fair value	**117.47**	**507.65**	112.57	487.55
iii)	**Actual return on plan assets**				
	Expected return on plan assets	**9.72**	**39.26**	8.86	36.42
	Actuarial (loss)/gain on plan assets	**(0.67)**	**-**	0.37	-
	Actual return on plan assets	**9.05**	**39.26**	9.23	36.42
iv)	**Present value of the defined benefit obligation**	**132.47**	**506.57**	113.92	484.95
	Plan assets at the end of the period, at fair value	**117.47**	**507.65**	112.57	487.55
	Liability recognised in the balance sheet	**15.00**	**-**	1.35	-
v)	**Expense recognised in the statement of profit & loss**				
	Current service cost	**9.40**	**17.72**	9.18	16.63
	Interest cost	**8.43**	**38.92**	7.99	37.46
	Expected return on plan assets	**(9.72)**	**(39.26)**	(8.86)	(36.42)
	Actuarial loss/(gain)	**18.45**	**1.44**	3.34	(0.96)
	Total *	**26.56**	**18.82**	11.65	16.71
	* Excludes contribution to recognised provident fund				
vi)	**Investment Details (% invested)**				
	GOI securities	**10.9**	**18.5**	13.6	21.5
	State government securities	**12.5**	**24.5**	13.4	20.0
	PSU securities	**13.0**	**38.9**	14.0	40.0
	Special deposit scheme / Funds with LIC	**58.1**	**4.6**	53.3	4.1
	Others (including bank balances)	**5.5**	**13.5**	5.7	14.4
		100.0	**100.0**	100.0	100.0
vii)	**Assumptions**				
	Interest rate for discount - per annum	**6.70%**	**6.70%**	8.00%	8.00%
	Estimated rate of return on plan assets - per annum	**8.40%**	**8.75%**	8.80%	8.75%

(₹ in Crores)

viii)	Experience Adjustment	2016	2015	2014	2013	2012
	Gratuity					
	Defined benefit obligation	**132.47**	113.92	106.68	90.50	87.49
	Plan assets	**117.47**	112.57	97.97	89.18	81.17
	Surplus / (deficit)	**(15.00)**	(1.35)	(8.71)	(1.32)	(6.32)
	Experience adjustments on plan liabilities (gain) / loss	**17.78**	(3.71)	(1.18)	1.56	2.38
	Experience adjustments on plan assets (loss) / gain	**(0.67)**	0.37	(0.11)	(0.11)	0.41
	Provident Fund					
	Defined benefit obligation	**506.57**	484.95	427.66	361.88	324.73
	Plan assets	**507.65**	487.55	430.62	364.98	323.48
	Surplus / (deficit)	**1.08**	2.60	2.96	3.10	(1.25)
	Experience adjustments on plan liabilities (gain) / loss	**(1.89)**	(0.91)	(1.41)	9.32	(8.05)
	Experience adjustments on plan assets (loss) / gain	**0.54**	0.55	-	0.10	1.33

Notes:

a) Gratuity Plan
Gratuity is payable to all eligible employees of the Company as per the provisions of the Payment of Gratuity Act, 1972 or as per the Company's scheme, whichever is higher.

b) Provident Fund Plan
The Company manages provident fund plan through a provident fund trust for its employees which is permitted under the Provident Fund and Miscellaneous Provisions Act, 1952. The Contribution by employee and employer together with interest are payable at the time of separation from service or retirement whichever is earlier.

c) Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

d) The Company expects to contribute ₹ **15.00 crores** (Previous Year ₹ 13.00 crores) to gratuity fund and ₹ **2.00 crores** (Previous Year ₹ 18.00 crores) to provident fund in 2017.

e) The attrition rate for gratuity varies from 1% to 8% for various age groups.

47. In accordance with the provisions of Companies Act, 2013, the Company is required to contribute ₹ **7.49 crores** (Previous Year ₹ 5.56 crores) towards CSR expenditure for the year ended December 31, 2016 against which actual capital expenditure is ₹ **4.96 crores** (Previous Year ₹ 1.24 crores) and revenue expenditure is ₹ **2.45 crores** (Previous Year ₹ 0.46 crores).

48. The previous year figures have been regrouped/ reclassified, where necessary, to conform with the current year's classifications.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number : 101049W/E300004
Chartered Accountants

Per Navin Agrawal
Partner
Membership No: 56102

New Delhi, February 9, 2017

For and on behalf of the Board

Frank Duggan	Chairman
Sanjeev Sharma	Managing Director
Nasser Munjee	Director
T. K. Sridhar	Chief Financial Officer
B. Gururaj	Company Secretary

New Delhi, February 9, 2017

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