

# 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, 2018

Name	Category <sup>(1)</sup>	Attendance			Directorship in other Indian companies <sup>(2)</sup>	Committee Membership / Chairmanship in Public Companies <sup>(3)</sup>	
		Board meetings held during 2018	Board Meetings Attended	Last AGM attendance		Member	Chairman
Mr. J C Deslarzes (Chairman) <sup>(4)</sup>	NED		5	Yes	Nil	Nil	Nil
Mr. Frank Duggan (Chairman) <sup>(5)</sup>	NED		1	NA	Nil	Nil	Nil
Mr. Sanjeev Sharma	MD		5	Yes	3	1	Nil
Mr. Nasser Munjee	NED (I)	5*	5	Yes	11	1	5
Mr. Darius E. Udawadia	NED (I)		5	Yes	10	7	1
Mrs. Renu Sud Karnad	NED (I)		3	Yes	10	4	2
Mr. Tarak Mehta	NED		4	Yes	Nil	1	Nil

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

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

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

(4) Appointed as Director and Chairman of the Board w.e.f. February 8, 2018.

(5) Resigned as Director and Chairman of the Board w.e.f. February 8, 2018.

\*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 2018 and dates on which held

The Board has held five meetings during the Financial Year 2018 i.e., on February 8, May 8, July 19, October 30, and December 4, 2018.

In addition, one meeting of Independent Directors was held on May 8, 2018.

- (iii) Except Mr. Darius E. Udawadia, who is holding 3,500 equity shares, no other Director holds equity shares in the Company.
- (iv) The Independent Directors, who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business. As a part of familiarization programme as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act) and Listing Regulations. Since these being an information about the enactment / updates in the laws / regulation, no separate material has been uploaded in the website.
- As Independent Directors are continuing on the Company's Board since long, the requirement of familiarization programme as required under the Listing Regulations does not arise
- (v) The terms and conditions of appointment of the Independent Directors are disclosed in the Company's website at [www.abb.co.in](http://www.abb.co.in).
- (vi) During the year, a separate meeting of the Independent Directors was held on May 8, 2018, 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 (68th) Annual General Meeting held on May 9, 2018.

**(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 five meetings during the Financial Year 2018 i.e., on February 8, May 8, July 19, October 30, and December 4, 2018. The composition of the Audit Committee as on December 31, 2018 and the attendance of members at the meetings held during the Financial Year 2018 were as follows:

Members of the Committee	No. of meetings attended
Mr. Nasser Munjee (Chairman) (Independent Director)	5
Mr. Darius E. Udwardia (Independent Director)	5
Mrs. Renu Sud Karnad (Independent Director)	3
Mr. Tarak Mehta	4

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

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

The Nomination and Remuneration Committee presently consists of three Non-Executive Directors, two being independent. The Chairman is a Non-Executive and Independent Director. The Committee has held four meetings during the Financial Year 2018 i.e., on February 8, July 19, October 30, and December 4, 2018. The composition of the Nomination and Remuneration Committee as on December 31, 2018 and the attendance of members at the meeting held during the Financial Year 2018 were as follows:

Members of the Committee	No. of meetings attended
Mr. Nasser Munjee (Chairman) (Independent Director)	4
Mrs. Renu Sud Karnad (Independent Director)	3
Mr. Frank Duggan (Upto Feb 8, 2018)	1
Mr. J C Deslarzes (W.e.f. Feb 8, 2018)	3

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

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

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

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

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

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

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

## 5. Details of remuneration to all the Directors paid during the Financial Year 2018

(₹ in Lakh)

Name	Sitting Fees	Salary & Perquisites	Commission *	Stock Option	Pension
Mr. Sanjeev Sharma	Nil	605.70**	Nil	Nil	Nil
Mr. Nasser Munjee	2.40	Nil	39.00	Nil	Nil
Mr. Darius E. Udawadia	2.40	Nil	31.00	Nil	Nil
Mrs. Renu Sud Karnad	2.10	Nil	24.30	Nil	Nil
Mr. Frank Duggan (Upto Feb 8, 2018)	Nil	Nil	Nil	Nil	Nil
Mr. Tarak Mehta	Nil	Nil	Nil	Nil	Nil
Mr. J C Deslarzes (W.e.f. Feb 8, 2018)	Nil	Nil	Nil	Nil	Nil

\* Commission for the financial year 2017 paid during the financial year 2018.

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

Commission to Independent Directors:

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

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

### Fixed Component / Performance Linked Incentive / Criteria

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

### Service Contract / Notice Period / Severance Fees

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

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

### Stock Option

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

Except Mr. Darius E. Udawadia, 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.

## 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 2018 i.e., on February 8, May 8, July 19 and October 30, 2018.

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

The composition of Stakeholders Relationship Committee as at December 31, 2018 and attendance of members at the meetings held during the Financial Year 2018 were as follows:

Members of the Committee	No. of meetings attended
Mr. Darius E. Udawadia (Chairman) (Independent Director)	4
Mrs. Renu Sud Karnad (Independent Director)	3
Mr. Sanjeev Sharma	4

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

The details of investors' complaints received and resolved during the Financial Year 2018 are as under:

No. of investors' complaints received during 2018	No. of investors' complaints resolved during 2018	Investors' complaints pending at the end of 2018
138	138	NIL

## 7. Risk Management

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

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, 2018 were as follows:

Members of the Committee
Mr. Nasser Munjee (Chairman) (Independent Director)
Mr. Frank Duggan (Upto 08.02.2018)
Mr. J C Deslarzes (W.e.f. 08.02.2018)
Mr. Sanjeev Sharma
Mr. T. K. Sridhar

## 8. Corporate Social Responsibility Committee

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

Three meetings of Committee were held during the Financial Year 2018 i.e., on February 8, May 8, and October 30, 2018.

The Committee is chaired by Mrs. Renu Sud Karnad – Independent Director. The composition of Committee as at December 31, 2018 and attendance of members at the meetings held during the Financial Year 2018 were as follows:

Members of the Committee	No. of meetings attended
Mrs. Renu Sud Karnad (Chairperson) (Independent Director)	3
Mr. Sanjeev Sharma	3
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](http://www.abb.co.in).

## 9. Subsidiary Company

The Company has incorporated a wholly owned subsidiary i.e. ABB Power Products and Systems India Limited. As this is the only subsidiary and which is not a material subsidiary, 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
2017	"Grand Ball Room", Second floor, Sheraton Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bengaluru – 560 055	Tuesday May 9, 2018	11.00 a.m. (IST)
2016	"Grand Ball Room", Second floor, Sheraton Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bengaluru – 560 055	Tuesday May 9, 2017	11.00 a.m. (IST)
2015	"Grand Ball Room", Second floor, Sheraton Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleshwaram-Rajajinagar, Bengaluru – 560 055	Monday April 26, 2016	11.00 a.m. (IST)

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

No Special Resolution passed in 66th and 68th Annual General Meetings held on April 26, 2016 and May 9, 2018 respectively.

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

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

(iii) Postal Ballot

During the year 2018, the Company has not carried out any Postal ballot. However, during January/February 2019, the Company has carried out a Postal Ballot to seek approval of Members for:

- (a) the re-appointment of Mr. Sanjeev Sharma as Managing Director of the Company for a period of three years commencing from January 01, 2019 to December 31, 2021;
- (b) for continuation of Directorship beyond March 31, 2019, by Mr. Darius E Udawadia, Non-executive Director, who has attained the age of 75 years in compliance with SEBI (Listing Obligations Disclosure Requirements), Regulations 2015, as amended.

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

## 12. Disclosures

(i) Disclosures on materially significant related party transactions.

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

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

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

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

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

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

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



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

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

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

### 13. Means of Communication

#### Quarterly Financial Results / Official News Releases

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

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

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

### 14. General Shareholder Information

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

The Company will be holding its 69th Annual General Meeting on Wednesday, May 8, 2019 at 11.00 A.M. (IST) at "Aura", Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru, 560 022.

#### 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, 2018, (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 – Approve the Material Related Party Transaction

Item No. 5 – Approval of remuneration to the Cost Auditor of the Company for Financial Year 2019

- (ii) Profile of Director seeking re-appointment

The profile of Director retiring by rotation and seeking re-appointment at the 69<sup>th</sup> Annual General Meeting is given in the annexure to the Notice convening the said 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 2019 (January - December) excluding Extra Ordinary General Meeting(s), if any, are as under:

Fourth Quarter Financial Results (Year 2018)	March 2019
First Quarter Financial Results	May 2019
Annual General Meeting	May 2019
Second Quarter Financial Results	July 2019
Third Quarter Financial Results	October 2019

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 2018 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 2, 2019 to May 8, 2019 (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 10, 2019, to those Members whose names appear on the Company's Register of Members as on May 1, 2019.

## (vi) Listing on Stock Exchanges

The equity shares of the Company are currently listed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid till date, appropriate listing fee to both the stock exchanges. Non-Convertible Debentures of the Company, which were redeemed during the year 2018, were 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

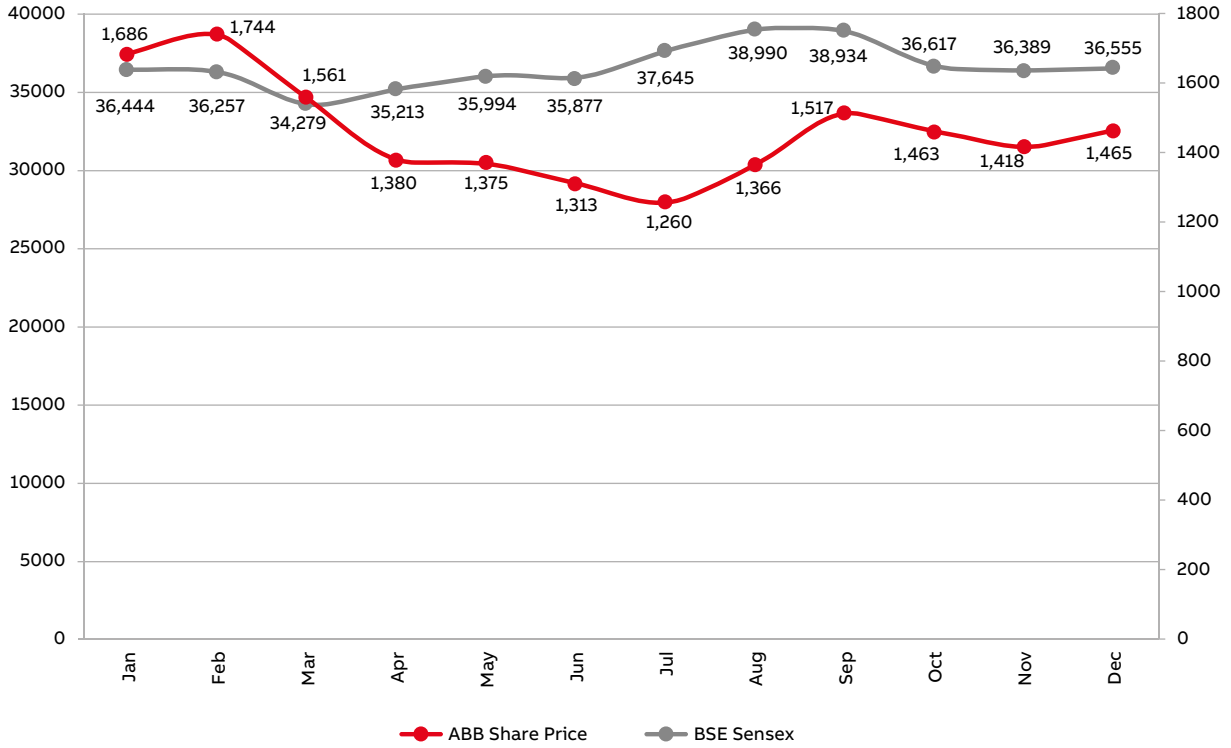
## (viii) Market Price Data

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 2018 were as follows:

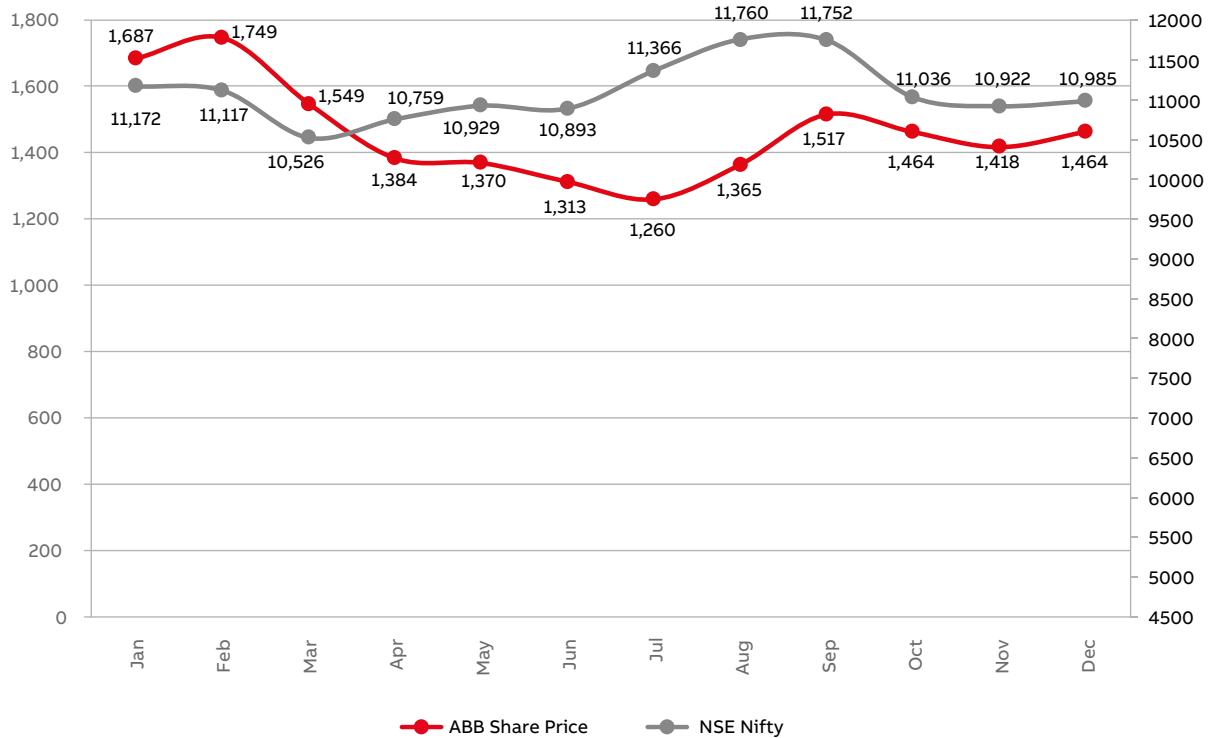
Year 2018	ABB - BSE (₹)		BSE Sensex		ABB - NSE (₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
January	1,686	1,391	36,444	33,703	1,687	1,390	11,172	10,405
February	1,744	1,469	36,257	33,483	1,749	1,471	11,117	10,276
March	1,561	1,267	34,279	32,484	1,549	1,267	10,526	9,952
April	1,380	1,245	35,213	32,973	1,384	1,248	10,759	10,111
May	1,375	1,157	35,994	34,303	1,370	1,157	10,929	10,418
June	1,313	1,123	35,877	34,785	1,313	1,149	10,893	10,551
July	1,260	1,130	37,645	35,107	1,260	1,129	11,366	10,605
August	1,366	1,164	38,990	37,129	1,365	1,183	11,760	11,235
September	1,517	1,229	38,934	35,986	1,517	1,251	11,752	10,850
October	1,463	1,191	36,617	33,292	1,464	1,190	11,036	10,005
November	1,418	1,279	36,389	34,303	1,418	1,283	10,922	10,342
December	1,465	1,284	36,555	34,426	1,464	1,280	10,985	10,928

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

**ABB Share Price movement v/s BSE Sensex**  
January – December 2018



**ABB Share Price movement v/s NSE Nifty**  
January – December 2018



## (x) Registrar and Share Transfer Agents

During the year 2018 the name of the Company's Registrar and Share Transfer Agent, has been changed to "Karvy Fintech Private Limited" consequent to amalgamation of "Karvy Computershare Private Limited" with "Karvy Fintech Private Limited".

Karvy Fintech 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 Fintech 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

Website: www.karvyfintech.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 31.12.2018		As on 31.12.2017	
	No. of shares	%	No. of shares	%
ABB Asea Brown Boveri Limited Zurich*	158,931,281	75.00	146,390,951	69.08
ABB Norden Holding AB Sweden*	0	0.00	12,540,330	5.92
Non-Resident Individuals/OCBs	469,113	0.22	397,748	0.19
Directors and their relatives	3,500	0.00	3,500	0.00
LIC/UTI/Other Insurance Cos.	13,883,594	6.55	16,475,525	7.77
Nationalised Banks/Other Banks	130,425	0.06	137,167	0.06
Mutual Funds	14,603,520	6.89	12,443,032	5.87
Foreign Nationals	705	0.00	705	0.00
Foreign Institutional Investors	21,530	0.01	40,779	0.02
Bodies Corporate	1,614,117	0.76	1,259,424	0.59
Foreign Portfolio Investors	6,693,657	3.16	6,512,748	3.07
General Public	14,466,006	6.83	14,546,616	6.86
NBFC	451,633	0.21	611,537	0.29
I E P F	537,523	0.25	537,523	0.25
Alternative Investment Fund	84,681	0.04	0	0.00
Trust	17,090	0.01	10,790	0.01
<b>Total</b>	<b>211,908,375</b>	<b>100.00</b>	<b>211,908,375</b>	<b>100.00</b>

\* On November 2, 2018 "ABB Asea Brown Boveri Limited", Zurich, Switzerland has acquired 12,540,330 Equity shares of the Company from ABB Norden Holding AB, Sweden, under inter-se transfer of shares amongst Promoters/promoter group. The Company and Promoter/promoter group had made necessary disclosures to Stock Exchanges and SEBI, in that regard.

## (xiii) Distribution of Shareholding as on December 31, 2018

Category	No. of Shareholders	No. of Shares held	% of equity capital
1 – 5000	67,746	12,220,962	5.77
5001 – 10000	232	1,568,608	0.74
10001 – 50000	128	2,501,117	1.18
50001 – 100000	20	1,506,738	0.71
100001 and above	41	194,110,950	91.60
<b>Total</b>	<b>68,167</b>	<b>211,908,375</b>	<b>100.00</b>

(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, 2018, out of 211,908,375 equity shares of the Company, 210,118,794 equity shares have been dematerialised representing 99.16%.

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, 2018.

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, Chennai, Visakhapatnam and Nashik.

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

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

- a) Total Exposure of the Company to commodities in INR: 2,28,92,19,248.

## b) Exposure of the Company to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Copper	2,078,190,860	4657 MT	-	-	90%	-	90%
Aluminium	40,642,957	282 MT	-	-	90%	-	90%
Silver	170,385,431	4.5 MT	-	-	90%	-	90%

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

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

## (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

The Company has redeemed the entire 600 unsecured rated listed redeemable non-convertible debentures of face value of Rs.1,00,00,000/- each on September 4, 2018.

**15. Discretionary Requirements**

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

For ABB India Limited

J C Deslarzes  
Chairman  
DIN: 08064621

Place: Bengaluru  
Date: March 1, 2019

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, 2018.

For ABB India Limited

Place: Bengaluru  
Date: March 1, 2019

Sanjeev Sharma  
Managing Director  
DIN: 07362344