



REF:INABB:STATUT:LODR:REGU 30:

March 5, 2019

National Stock Exchange of India Limited
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Dear Sir/Madam,

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

We refer to our letter dated February 13, 2019 wherein we disclosed to the stock exchanges that the Board of Directors ("**Board**") of ABB India Limited ("**Company**") at their meeting held on the same day had provided its in-principle approval for the segregation of the Company's power grids business from the other businesses of the Company. The Board had determined that a National Company Law Tribunal (**NCLT**) approved demerger was the preferred option for effecting such segregation and authorised the management of the Company to take preparatory steps in this regard.

We now wish to inform you that the Board of the Company, at its meeting held on March 5, 2019 has approved a scheme of arrangement amongst the Company, ABB Power Products and Systems India Limited (a newly incorporated wholly owned subsidiary of the Company) and their respective Shareholders and Creditors, providing for the demerger of the Company's power grids business to ABB Power Products and Systems India Limited ("**Demerger**"). The Board of Directors of ABB Power Products and Systems India Limited subsequently (on the same day) also approved the demerger of the Scheme of Arrangement.

The Demerger will be undertaken by a NCLT-approved scheme of arrangement under Section 230-232 of the Companies Act, 2013 ("**Act**") and other applicable provisions of the Act and rules framed thereunder, Section 2 (19AA) and other applicable provisions of the Income-tax Act, 1961 and circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, read with circular nos. (CFD/DIL3/CIR/2017/26 dated March 23, 2017, CFD/DIL3/CIR/2017/105 dated September 21, 2017 and CFD/ DIL3/CIR/2018/2 dated January 03, 2018) issued by the Securities Exchange Board of India ("**SEBI Scheme Circular**").

The Demerger is subject to necessary approvals including from the Shareholders and Creditors of the Company and the NCLT.

The details required to be disclosed under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure A** to this intimation.

Kindly take this disclosure on record.

Thanking you,

Yours faithfully,
For ABB India Limited

B. Gururaj
General Counsel & Company Secretary
FCS-2631

Encl.: As above

ANNEXURE A

Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

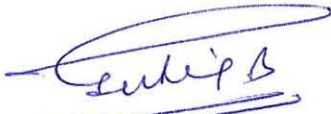
Demerger

a) Brief details of the division(s) to be demerged	The power grids business carried out by ABB India Limited (" Company ") as defined in the scheme of arrangement (" PG Business ") is to be demerged to ABB Power Products and Systems India Limited (" APPSIL ") pursuant to a scheme of arrangement amongst the Company, APPSIL and their respective Shareholders and Creditors (" Scheme ") under the provisions of Section 230-232 of the Companies Act, 2013 (" Act ") and other applicable provisions of the Act and rules framed thereunder, Section 2 (19AA) and other applicable provisions of the Income-tax Act, 1961 and circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with circular nos. (CFD/DIL3/CIR/2017/26 dated March 23, 2017, CFD/DIL3/CIR/2017/105 dated September 21, 2017 and CFD/DIL3/CIR/2018/2 dated January 03, 2018) issued by the Securities Exchange Board of India (" Demerger ").
b) Turnover of the demerged division and as a percentage to the total turnover of the listed entity in the immediately preceding financial year/ based on financials of the last financial year	Turnover of the PG Business for the Financial Year 2018 was Rs. 4171.78 Crores. This accounts for 38.4% of total turnover of the Company for Financial Year 2018 and includes revenues from a one-time large order of HVDC from PGCIL.
c) Rationale for demerger	<p>The Demerger is proposed for the following reasons and is expected to have the following benefits:</p> <ul style="list-style-type: none"> (i) The Company has been driving industrial change as a pioneering technology leader. The Company is now taking fundamental actions to realign its business to focus, simplify and lead in digital industries for enhanced customer value and shareholder returns. (ii) These actions include the separation of the Company's portfolio of digital industries from the Company's traditional, long gestation, projects led, business of power grids, with requirements that include access to financing, by transfer of the PG Business to a demerged legal entity. (iii) The simplification of the Company's business model and structure with the implementation of this new organization is expected to provide each business with full operational ownership of products, functions, R&D and territories. These actions are likely to position the Company with a leadership role in digital solutions, and evolving technologies such as artificial intelligence in India, while allowing APPSIL to independently focus on a likely leadership position in the PG Business with its unique and established market dynamics.

	<p>(iv) With continuous advances in technology driving an unprecedented rate of development, the Company's customers' businesses in the country are being profoundly impacted. Indian customers are looking for more complete solutions, combining the right products with leading engineering expertise and domain capability.</p> <p>(v) The planning of fundamental actions whose objective is to focus, simplify and lead in digital industries is expected to allow the Company to more effectively meet customers' needs and capture market opportunities in Indian industries at an inflection point of digital transformation, with an even stronger customer proximity.</p> <p>(vi) The new structure with a demerged self-contained PG Business is likely to help deliberate refocusing onto industrial customers. Focus on digital industries in an era of energy and fourth industrial revolution, needs to be distinguished from the slower cycle, government influenced, financing support enabled large projects of PG Business.</p> <p>(vii) The proposed Demerger is expected to assist the current power grids division to independently pursue the business excellence built over a long period in the power infrastructure with its robust and time tested business model.</p> <p>(viii) In order to effect the segregation of the PG Business from the other businesses of the Company, the Company proposes to transfer the PG Business to APPSIL by way of a Demerger in accordance with Sections 230-232 of the Act and the SEBI Scheme Circular.</p> <p>(ix) In consideration of the Demerger, the Shareholders of the Company will receive equity shares in APPSIL, which will be listed on the stock exchanges on which the shares of the Company are listed. The shares held by the Company in APPSIL will be cancelled upon effectiveness of the Scheme.</p> <p>(x) The Demerger and consequent issue of equity shares by APPSIL are proposed to allow Shareholders of the Company and APPSIL and investors to invest in the distinct key businesses and allow Shareholders of the Company and APPSIL unlock the value of their investments.</p>
d) Brief details of change in shareholding pattern (if any) of all entities	<p>The shareholding pattern of the Company will not change pursuant to the Demerger.</p> <p>APPSIL will issue equity shares to the shareholders of the Company on a <i>pro rata basis</i> such that the shareholding pattern of APPSIL post the Demerger will mirror the shareholding pattern of the Company.</p> <p>The shares held by the Company in APPSIL (including the shares held through its nominees, if any) shall stand cancelled as an integral part of the Scheme.</p>

e) In case of cash consideration – amount or otherwise share exchange ratio	Upon the Scheme becoming effective in consideration of the Demerger, APPSIL shall issue and allot equity shares to the Shareholders of the Company in the following manner: 1 (one) fully paid-up equity share, of face value Rs. 2/- (Rupees Two only) each in APPSIL for every 5(Five) fully paid up equity share(s) of face value Rs. 2/- (Rupees Two only) each of the Company.
f) Whether listing would be sought for the resulting entity	Yes.

For **ABB India Limited**



B. Gururaj
General Counsel & Company Secretary
FCS-2631