



Partnering to build a low carbon economy

ABB Limited, India - Annual Report 2011

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Board of Directors

Gary Steel, Chairman
Bazmi R. Husain, Managing Director
N.S. Raghavan
Nasser Munjee
D.E. Udawadia
Arun Kanti Dasgupta
Peter Leupp
Francis Duggan

Company Secretary

B. Gururaj

Country Management Committee

Bazmi R. Husain
Amlan Datta Majumdar
Madhav Vemuri
N. Venu
Pitamber Shivnani
Priteesh Mahajan
R. Narayanan
Raja Radhakrishnan
Stefan Backstrom
Tajinder Vohra
Tommy Andreasson
Ulf L. Moberg
Vikram V Kanth

Registered Office

2nd Floor, East Wing,
Khanija Bhavan,
49, Race Course Road,
Bengaluru – 560 001

Bankers

AXIS Bank Limited
Canara Bank
CITI Bank N.A.
Deutsche Bank AG
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
State Bank of India
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited
The Royal Bank of Scotland N. V.
The Bank of Tokyo-Mitsubishi UFJ, Limited
Union Bank of India
YES Bank Limited

Auditors

M/s S.R. BATLIBOI & CO.
Chartered Accountants

Cost Auditors

M/s Ashwin Solanki & Associates - Cost Accountants
Mr. T. L. Sangameswaran - Cost Accountant

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

5 Year Highlights

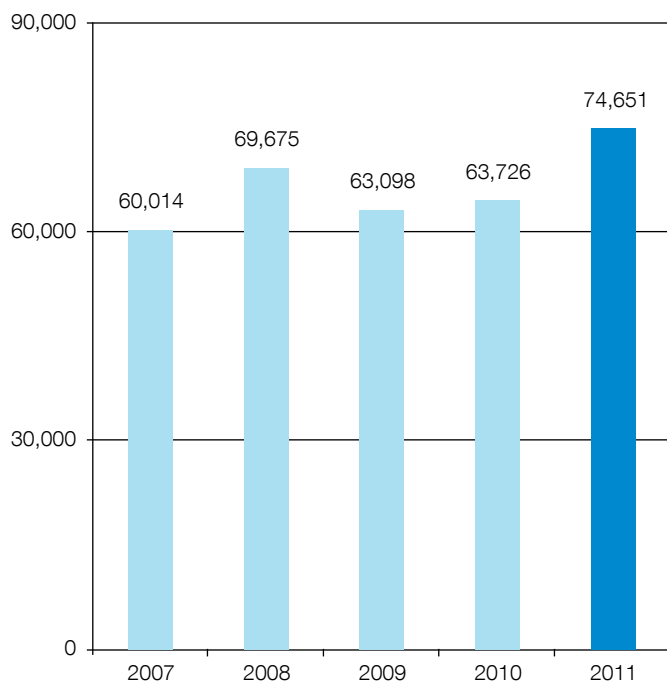
(Rs in Millions)

Description	2011	2010	2009	2008	2007
Sources of Funds					
Share Capital	423.8	423.8	423.8	423.8	423.8
Reserves	24,921.4	23,813.2	23,673.5	20,622.9	15,694.2
Net Worth	25,345.2	24,237.0	24,097.3	21,046.7	16,118.0
Borrowings	-	-	-	0.2	5.6
Funds Employed	25,345.2	24,237.0	24,097.3	21,046.9	16,123.6
Income and Profits					
Sales & Other Income	74,651.5	63,726.3	63,097.7	69,674.5	60,013.6
Operating Profit before Interest and Depreciation	3,779.6	1,692.8	6,012.9	9,024.6	8,005.7
Profit Before Tax	2,677.4	1,002.3	5,274.0	8,332.4	7,564.6
Tax	832.0	370.0	1,727.6	2,858.3	2,647.9
Profit After Tax	1,845.4	632.3	3,546.4	5,474.1	4,916.7
Dividend / Dividend Tax	737.2	492.6	495.8	545.4	558.0
Retained Earnings	1,108.2	139.7	3,050.6	4,928.7	4,358.7
Other Data					
Gross Fixed Assets	15,458.6	10,555.4	9,754.6	8,838.5	6,627.1
Debt Equity Ratio	0.00:1	0.00:1	0.00:1	0.00:1	0.00:1
Net Worth Per Equity Share - Rs	119.6	114.4	113.7	99.3	76.1
Earnings Per Equity Share - Rs	8.7	3.0	16.7	25.8	23.2
Dividend Per Equity Share - Rs	3.0	2.0	2.0	2.2	2.2
Profit After Taxes as % to Average Net Worth	7.4	2.6	15.7	29.5	35.2

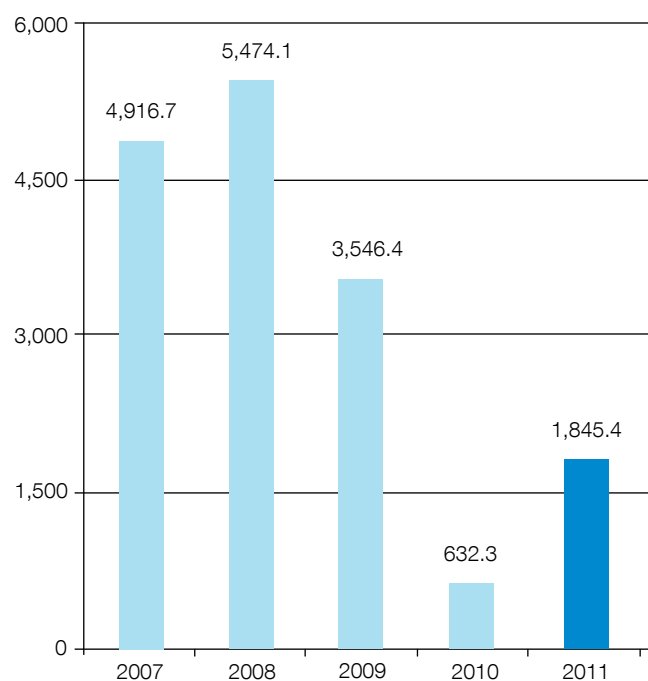
Note : Excludes revaluation of fixed assets and revaluation reserve.

5 Year Highlights

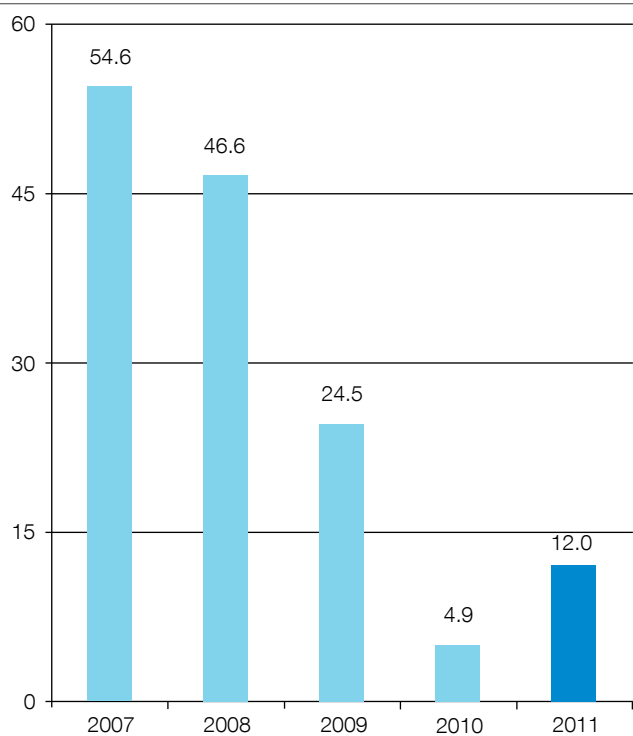
Revenues (Rs in Millions)



Profit After Tax (Rs in Millions)

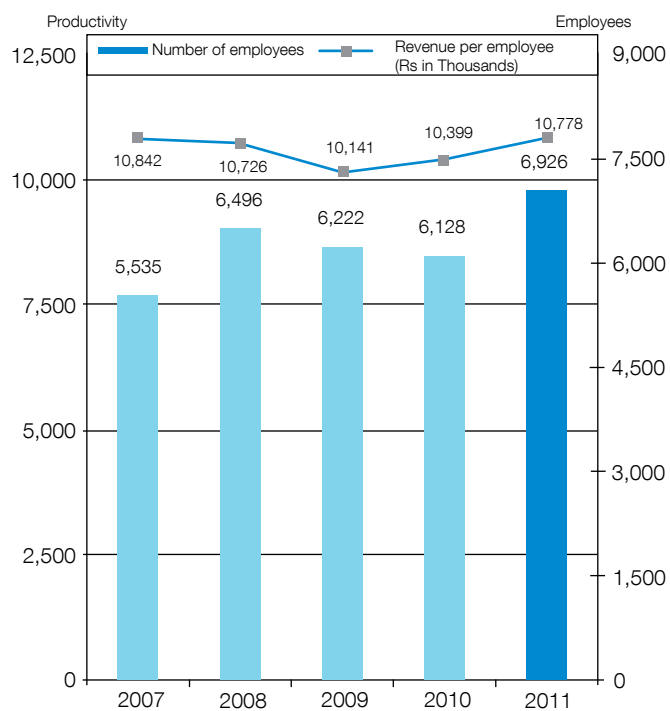


Return On Capital Employed (%)



Note : Excludes revaluation of fixed assets and revaluation reserve.

Employees & Productivity



This is ABB

ABB is one of the world's leading power and automation engineering companies that enable utility and industry customers to improve their performance while lowering environmental impact.

Technology plays a key role for ABB. We have seven research centers, 6,000 scientists and 70 university collaborations across the world – all working to develop unique technologies that make our customers more competitive, while minimizing environmental impact.

Our portfolio ranges from light switches to robots, and from huge electrical transformers to control systems that manage entire power networks and factories. We provide solutions for secure, energy-efficient generation, transmission and distribution of electricity, and for increasing productivity in industrial, commercial and utility operations.

Sustainability is integral to all aspects of our business. We strive to balance economic, environmental and social objectives and integrate them into our daily business decisions. Sustainability considerations cover our entire value chain, from how we design and manufacture products, to how we behave in the communities where we operate and towards one another.

Our businesses



Power Products: Power Products are the key components to transmit and distribute electricity. The division incorporates ABB's manufacturing network for transformers, switchgear, circuit breakers, cables and associated equipment. It also offers all the services needed to ensure products' performance and extend their lifespan.



Power Systems: Power Systems offers turnkey systems and services for power transmission and distribution grids, and for power plants. Substations and substation automation systems are key areas. Additional highlights include Flexible Alternating Current Transmission Systems (FACTS), High Voltage Direct Current (HVDC) systems and network management systems. In power generation, Power Systems offers the instrumentation, control and electrification of power plants.



Discrete Automation and Motion: This division provides products, solutions and related services that increase industrial productivity and energy efficiency. Its motors, generators, drives, Programmable Logic Controllers (PLCs), power electronics and robotics provide power, motion and control for a wide range of automation applications. The leading position in wind generators and a growing offering in solar complement the industrial focus, leveraging joint technology, channels and operations platforms.



Low Voltage Products: The Low Voltage Products division manufactures low-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.



Process Automation: The main focus of this ABB business is to provide customers with products and solutions for instrumentation, automation and optimization of industrial processes. The industries served include oil and gas, power, chemicals and pharmaceuticals, pulp and paper, metals and minerals, marine and turbocharging. Key customer benefits include improved asset productivity and energy savings.

Committed to a sustainable future

Our strategy: Partnering to build a low carbon economy

The sub-continent has witnessed an unprecedented level of economic expansion. To sustain this growth, ABB in India is actively reaching out and partnering with stakeholders to discover new ways of applying innovation, technology and global experience to find solutions to help build and sustain a low carbon economy.

Energy is a critical driver to accelerating economies. But what is more relevant in today's environment is making energy sustainable and a viable proposition. Nature makes energy available in various forms. And to harness this energy effectively and efficiently, ABB has developed technologies to utilize the latent energy that lies in the power of ocean water to natural resources like coal and to far more sustainable solutions like the sun and the wind.

Whether it is for power generation, transmission, distribution or applications in industrial automation, facilities or buildings; practically the entire ABB portfolio helps to reduce CO₂ emissions. Energy cost does not manifest itself in just producing and transmitting it. How well it is utilized and put to productive use is equally important. So when it comes to cement, steel, petrochemicals, pharmaceuticals or the likes of these industries, ABB India has been implementing global, leading-edge technology solutions to optimize energy utilization. So at the end of the day, increasing energy costs is not what one ends up paying for as we progress into the future.

Our strategy is to leverage our domain expertise in power and automation technologies to help utilities and industries improve productivity, efficiency and reliability of operations while reducing environmental footprint. Through various initiatives, we are continuously addressing customer needs, investing resources in indigenization, localization and manufacturing to develop products and solutions to cater to specific customer requirements through enhanced and customer delivery models.

To enhance our presence and sustain technology leadership, ABB is capitalizing on mega trends such as urbanization and emerging economies, resource efficiency and climate change, exploiting disruptive opportunities, such as direct current (DC) technologies, to enable a wide range of energy efficient automation and power solutions.

We are also focusing on improving our internal process efficiency, reducing material and energy consumption and improving productivity to deliver solutions to customers in an increasingly competitive environment.



Sowing the seeds today for a sustainable future

ABB, through technology, products and projects, is leading the way to carve out sustainable economies globally. Right here, in India, across utility and industry segments, ABB continues to implement solutions that help boost the economy in the areas of grid reliability, renewables, urbanisation and industrial productivity.

Grid reliability

ABB is setting higher standards in HVDC technology with the world's first multi-terminal 800 kV UHVDC link that will supply electricity from hydropower stations in northeastern India to the city of Agra, over a distance 1,728 kilometers. The link, when fully operational, will light up the lives of 90 million people in the surrounding areas. The Company is also making a significant contribution to India's ultrahigh voltage transmission network development. ABB has supplied proven leading-edge 765 kV transformers to substation projects that make power transmission more reliable and efficient.

Renewables

ABB in India is uniquely positioned to offer diverse and integrated range of products and solutions to a wide number of industry verticals; the more significant ones being solar, water, wind and rail. The Company recently entered the solar photovoltaic and solar thermal space in India in 2009. Within a year of entering the solar photovoltaic and solar thermal space in India, ABB has already received orders for over 90 MW of inverters, about 60 MW of solar substations and 21 MW of Electrical Balance of Plant. ABB India continued to be the preferred supplier for some of the leading wind OEMs in the country for its low and medium voltage products, generators, dry transformers and network management packages contributing to the growth of green energy. Successes in the water business came from orders for desalination projects, water treatment plants in power plants and the water utility sector. ABB is also engaged in replacing old motors for pumping drinking water to the residents of Bangalore city.

Urbanisation

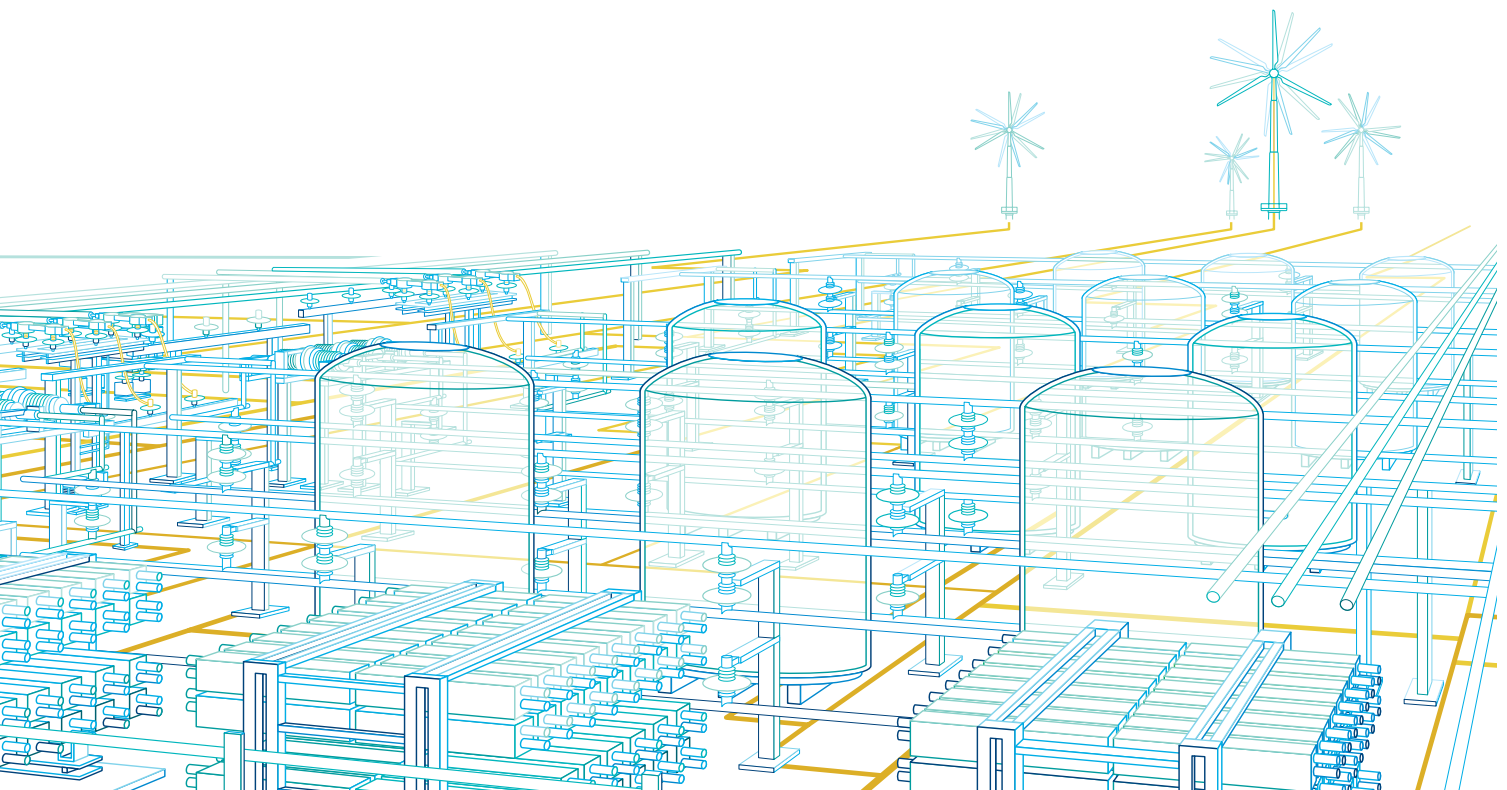
ABB's leading-edge solutions for management of power networks and electrical products continue to help rail-based metro systems in Delhi and Bangalore, run smoothly and efficiently, reducing traffic congestion and pollution. For Terminal-3 of the Indira Gandhi International Airport in Delhi, ABB supplied complete electrical infrastructure including an energy management system that monitors and controls the terminal's entire electrical network. This ABB i-bus® KNX lighting control solution was named the largest and best of its kind in Asia.

Industrial productivity

ABB in India has commissioned several projects, prominent among which were automation solutions and lines for iron and steel plants, aluminium plants, paper mills, minerals and mining. Solutions from ABB have helped plants improve yield and productivity of processing lines, improved surface quality and finishing, reduced turnaround time, improved accurate tension control, enhanced strip defect inspection to log surface defects and production planning and management through modern MES systems. In addition, the company also entered into significant service contracts and integrated automation and power equipment contracts with various customers within the manufacturing sector.

Innovation at work

The Company has been making investments critical to sustained growth, setting up manufacturing lines, training centres and introducing new products in the market. A new semi-automated line of miniature circuit breakers (MCB) with an annual production capacity of 10 million poles was set up at the Nelamangala facility near Bangalore. SafeLink CB, a new compact secondary SF6 gas insulated outdoor Ring Main Unit (RMU) for secondary 12 kV distribution networks, was designed, developed and manufactured at Nashik. ABB launched MoCon Robust, a new range of crane drives for the industry segment that operate at a very high ambient temperature and dusty environments. Symphony™ Plus, the new generation of ABB's total plant automation for power and water industries and a state-of-the-art DCS550 drive were also launched last year. A new high voltage power products training center has been established in Vadodara. This training centre has started its operations with a pilot batch of ten ITI apprentices undergoing the Swiss Vocational Education & Training project (SVET) program.





Investing in people

Global competitiveness and economic challenges require clear processes, governance and organizational discipline. Lean hierarchies and ownership of our employees are giving us a competitive advantage but requires a performance based culture at the same time. In ABB we try to build a shared vision to ensure the way forward is clear and everyone understands how to contribute to move toward the stated goals. People are at the core of our business strategy and we strive to ensure value and respect for every individual through an inclusive culture. Leadership development is an integral part of the ABB people development and talent management strategy. This inculcates culture of personal responsibility across the business, provides the skills of effective leaders and engages everyone in the challenge of change. Going forward, we are committed to design work practices to meet various life cycle needs of our employees to increase engagement and productivity, implement targeted development programs for high potential diverse employees and enhance cross cultural competency within teams to become more effective in doing business in new regions and markets.

Our community engagement

ABB's mission is to improve performance - our own and our customers - drive innovation which is essential to success, attract and retain the best people, and act responsibly as a corporate citizen. Sustainability is an integral part of this mission.

Through financial assistance and in partnership with the Government, ABB in India continues to support its 'Access to electricity' programme by

providing solar photovoltaic domestic lighting systems in households across seven villages in the State of Rajasthan. Taking this initiative further into the Sundarbans area in West Bengal, ABB has signed up with the World Wildlife Fund (WWF) to provide a centralized solar photovoltaic charging station.

ABB in India has been supporting three government-run schools in Bangalore, two in Vadodara and one each in Nashik and Faridabad. ABB has contributed resources to provide new infrastructure or improve existing facilities. In some schools, deeper engagement initiatives have been implemented to improve the overall quality of education for the underprivileged students. Through investments in setting up engineering labs, joint research programs and sponsoring technical events in universities, ABB in India collaborates with academia to share its technological expertise and help nurture future talent.

In its major manufacturing locations, ABB in India continues to work with institutions for the differently-abled by training them to put together simple components and sub-assemblies which are subsequently absorbed by the units.

Environmental initiatives extend beyond legal compliance and include energy conservation, environmental preservation, recycling, waste management and water conservation among others. Greening programmes have been undertaken by the company across its major locations such as Bangalore, Vadodara and Nashik.



Country Management Committee



From left to right

[Tommy Andreasson](#) Division Manager, Low Voltage Products

[Vikram V Kanth](#) Head, Communications and Investor Relations

[N Venu](#) Division Manager, Power Systems

[Pitamber Shrivani](#) Division Manager, Power Products

[R Narayanan](#) Division Manager, Discrete Automation and Motion

[Amlan Datta Majumdar](#) Chief Financial Officer

[Bazmi R. Husain](#) Managing Director

[Priteesh Mahajan](#) Division Manager, Process Automation

[Raja Radhakrishnan](#) Head, Human Resources

[Madhav Vemuri](#) Head, Service

[Stefan Backstrom](#) Head, Legal and Integrity

[Tajinder Vohra](#) Head, Operational Excellence

[Ulf L Moberg](#) Chief Technology Officer

Notice to the Members

NOTICE is hereby given that the **SIXTY SECOND ANNUAL GENERAL MEETING** of the Members of **ABB Limited** will be held at **'Trinity Hall' Vivanta by Taj (formerly Taj Residency), 41/3 Mahatma Gandhi Road, Bengaluru – 560 001, on Thursday, May 10, 2012 at 11.00 A.M. (IST)** to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at December 31, 2011 and the Audited Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Peter Leupp, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Nasser Munjee, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-election.
5. To appoint M/s S.R. BATLIBOI & CO., Chartered Accountants having registration number 301003E, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Article 154A of the Articles of Association of the Company and the provisions of Section 309 (4) and other applicable provisions, if any, of the Companies Act, 1956, 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 or 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 the Act, for a period of five financial years from January 1, 2012 to December 31, 2016, in such manner and proportion as may be decided by the Board from time to time."

By Order of the Board
For ABB Limited

B. Gururaj
Company Secretary

Place : Bengaluru
Date : February 23, 2012

Registered Office:
2nd Floor, East Wing,
Khanija Bhavan,
49, Race Course Road,
Bengaluru – 560 001

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 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.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of special business under item No. 6 is annexed hereto.
3. Members 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 May 4, 2012 to May 10, 2012 (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 May 14, 2012, 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 May 3, 2012 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 May 3, 2012.
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 205-A of the Companies Act, 1956, to the Investor Education and Protection Fund, established under Section 205C of the said Act.
7. Members who have not yet encashed the dividend warrant(s) from the financial year ended December 31, 2004 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 the Investor Education and Protection Fund 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, 2003, have been transferred to the Investor Education and Protection Fund.
8. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered addresses, either to the Company's Registrar and Share Transfer Agents, viz. Karvy Computershare Private Limited, Unit: ABB Limited, 17- 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, or to their respective Depository Participant ("DP") in case the shares are held in dematerialised form.

9. Members holding shares in physical form can avail of the nomination facility by filing Form 2B (in duplicate) with the Company's Registrar and Share Transfer Agents which will be made available on request and in case of shares held in dematerialised form, the nomination has to be lodged with their DP. Members holding shares in the dematerialized form may contact their DP for recording nomination in respect of their equity shares.
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 under Clause 49 (IV) (G) of the Listing Agreement of the Stock Exchanges, the relevant details of Directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting are furnished in the Corporate Governance Section of this Annual Report.
12. Shareholders, intending to require information about the Financial Accounts to be explained 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 bring their Annual Report along with them at the Meeting.
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.

Annexure to Notice

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Item No. 6

At the 57th Annual General Meeting of the Members of the Company held on May 25, 2007, the Company had obtained the approval of the

members 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, 2011.

Keeping in view the increased responsibilities of the Non-executive Directors entrusted by the Companies Act, 1956 and the Corporate Governance 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 the Companies Act, 1956, in such manner and proportion as may be decided by the Board of Directors from time to time.

Section 309 (4) of the Companies Act, 1956, requires a Special Resolution to be passed by the members of the company in General Meeting for the payment of remuneration by way of commission to Non-executive Directors of the Company. Hence, prior approval of members is sought for payment of commission to Non-executive Directors for a period of five financial years commencing from January 1, 2012 to December 31, 2016.

The Directors recommend the special resolution at Item no.6 for approval by the members.

All the Non-executive Directors are concerned or interested in the special resolution to the extent of the commission that may be received by them in pursuance thereof.

By Order of the Board
For ABB Limited

B. Gururaj
Company Secretary

Place : Bengaluru
Date : February 23, 2012

Registered Office:
2nd Floor, East Wing,
Khanija Bhavan,
49, Race Course Road,
Bengaluru – 560 001

Directors' Report

Your Directors have pleasure in presenting their Sixty Second Annual Report and Audited Accounts for the year ended December 31, 2011.

Financial Results

	(Rs in Thousands)	
	For the year ended December 31, 2011	For the year ended December 31, 2010
Profit Before Taxation	2,677,391	1,002,303
Less: Provision for Tax		
- Current Tax	1,048,000	415,000
- Deferred Tax	(178,000)	(45,000)
- Fringe Benefit Tax	(37,960)	-
Profit After Tax	1,845,351	632,303
Balance Brought Forward from last year	546,910	607,178
Amount available for Appropriation	2,392,261	1,239,481
Appropriations		
General Reserve	800,000	200,000
Proposed Dividend	635,725	423,817
Corporate Dividend Tax	103,131	70,391
Corporate Dividend Tax (previous years)	(1,637)	(1,637)
Balance Carried Forward	855,042	546,910
	2,392,261	1,239,481

Dividend

Your Directors recommend payment of a dividend at the rate of Rs 3/- (Rupees Three only) per share for the year ended December 31, 2011 on 211,908,375 equity shares of Rs 2/- each.

Performance Review

Orders received during the year at Rs 81,888 million were 29% higher as against Rs 63,496 million in the previous year. The year 2011 witnessed strong growth in both large and base orders. Order backlog at the end of 2011 was at Rs 91,288 million as compared to Rs 84,362 million providing significant revenue visibility for the coming year.

Sales and other income for the year was higher by 17% at Rs 74,651 million compared to Rs 63,726 million in the previous year. Revenues of all the segments were higher than the previous year.

Profit before tax for the year was higher at Rs 2,677 million compared to Rs 1,002 million in the previous year, mainly on account of business growth, improved operational efficiencies and favourable foreign exchange impact.

Profit after tax was significantly higher at Rs 1,845 million for the year as compared to Rs 632 million in the previous year. Earning per equity share of face value of Rs 2/- correspondingly increased to Rs 8.71 compared to Rs 2.98 in the previous year.

For detailed analysis of the performance, please refer to the Management's Discussion and Analysis Section of the Annual Report.

Acquisitions

a) Acquisition of Operating Businesses

With effect from April 1, 2011, the Company has acquired three businesses (a) Transformer Insulation – Boards and Components, (b) Low Voltage Breakers and Switches and (c) Vacuum Interrupters from ABB Global Industries and Services Limited for an aggregate consideration of Rs 4,000 million on slump sale basis with the object of bringing business synergies.

b) Acquisition of company

The Company acquired 100% of equity shares in Baldor Electric India Private Limited (Baldor), for a total consideration of Rs 339 million. Baldor is a private limited company based in Pune which provides sales and service assistance to its customers including support for the products viz., electric motors, power transmission products, drives, generators and other accessory products. Baldor became a wholly owned subsidiary of your company effective December 1, 2011. The Company is in the process of acquiring the preference shares in Baldor at a consideration of Rs 18.5 million.

The consolidated Accounts have been prepared in accordance with the prescribed Accounting Standards and in line with the general exemption granted by Ministry of Corporate Affairs.

As prescribed in the circular issued by Ministry of Corporate Affairs, the Board of Directors has, at its meeting held on February 23, 2012, passed a resolution giving consent for not attaching the Balance Sheet of the subsidiary company. The Audited Consolidated Accounts, Auditors' Report thereon and Cash Flow Statement, comprising of your Company and its subsidiary company, form a part of this Annual Report. Shareholders who wish to have a copy of the full report and accounts of the subsidiary will be provided on receipt of a written request from them. The above documents will also be available for inspection by any shareholder at the registered office of the Company as well as registered office of the subsidiary company, on any working day during the business hours.

Transfer to Investor Education and Protection Fund

In terms of Section 205C of the Companies Act, 1956, the unclaimed dividend amount aggregating to Rs 1,047,695/- lying with the Company for a period of seven years pertaining to year ended on December 31, 2003, was transferred during the year 2011, to the Investor Education and Protection Fund established by the Central Government.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure – A, forming part of this Report.

Environment, Health and Safety

The Company has in place a system for controlling and monitoring pollutants at all its factories complying with environmental standards and legislation. All the manufacturing units of the Company have received certificates for ISO 14001 (EMS). Environment, health and safety are given high priority. All the units of the Company have been awarded OHSAS18001 certification for the health and safety system. Several environmental management projects are underway across the locations. Some of these include energy conservation, waste management, rain water harvesting and greening initiatives.

Particulars of employees

The statement under sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of this report is given in Annexure - B. The said Annexure - B shall, however, be provided to the Members on request made in writing to the Company Secretary.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- appropriate accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2011 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a going concern basis.

Corporate Governance

As required under Clause 49 of the Listing Agreement of Stock Exchanges, a report on Corporate Governance and a Certificate from M/s D. R. Shreshtha & Associates, Practicing Company Secretaries, confirming compliance with the requirements of Corporate Governance are given in Annexure – C and Annexure – D respectively, which form part of this Report.

Board of Directors

Mr. Peter Leupp and Mr. Naseer Munjee, Directors of the Company are due to retire by rotation at this Annual General Meeting and are eligible for re-appointment.

Mr. Biplab Majumder did not seek re-appointment at the Annual General Meeting held on May 10, 2011 and hence ceased to be Director of the Company with effect from May 10, 2011.

As stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, brief profile of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees and shareholding are provided in the Report on Corporate Governance forming part of the Annual Report.

Auditors

The Company's Auditors, M/s S.R. BATLIBOI & CO., Chartered Accountants (Firm Registration No. 301003E), hold office upto the conclusion of the ensuing Annual General Meeting. The Company has received the requisite certificate from them pursuant to Section 224(1B) of the Companies Act, 1956, confirming their eligibility for re-appointment as Auditors of the Company.

Cost Auditors

The Board of Directors of the Company have appointed M/s Ashwin Solanki & Associates, Cost Accountants, for conducting the Cost Audit for the product Electric Motors for the year 2011. Cost Audit report for the year 2010 was filed on June 1, 2011, within the time limit prescribed by the Cost Audit Report Rules, 2001. Further, Mr. T. L. Sangameswaran, Cost Accountant, is appointed to conduct Cost Audit for the Electrical Grade Insulation Paper and Paper Boards. These products are part of the businesses which the Company acquired during the year 2011 from ABB Global Industries and Services Limited.

Acknowledgements

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

For and on behalf of the Board

Gary Steel
Chairman

Place : Bengaluru
Date : February 23, 2012

Annexure – A to Directors' Report

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo – Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

1. Conservation of energy

Energy conservation continued to be priority for the Company. Energy conservation measures taken during the year 2011 included

- Photo voltaic solar power plant generating 15,000 kWhr of units per year at Nashik facility
- 32.4 kW Grid connected solar plant was operational at Vadodara facility
- Replacement of sodium lighting in common area, parking area and roads with LED lighting at Nelamangala, Bengaluru facility
- Maximum usage of natural day light in shop floor and canteen
- Replacement of higher capacity motors with optimum capacity motors
- Replacement of old water pumps with new energy efficient water pumps
- Sensors introduced in water tanks to avoid over flows
- Maintaining power factor to unity at Nashik facility, earning incentives from the electricity board
- Switching off lights and air conditioners during breaks and when not essential
- Regular preventive maintenance of air compressors to avoid air leakages
- Running lower capacity air compressor instead of higher capacity air compressor, when requirement of air was low
- Replacement of old water pipe lines with retrofitting of new HDP lines at Maneja, Vadodara facility, resulting in saving of water, saving of power required to run water pumps
- Automation of board M1 FBC boiler equipment has reduced electrical energy consumption by 19 units per hour
- Optimisation of DG requirement for paper plant and krofta fiber recovery system
- Awareness and training programs for employees
- Energy audits and taking corrective actions

With proper planning, awareness, training and preventive maintenance, consumption of electricity and diesel was reduced compared to previous year. Power availability increased compared to last year, resulting in less utilisation of captive power plant. The company is currently working towards setting up a 66 kV line to ensure uninterrupted power for its paper plant facility at Mysore. This step will further reduce usage of diesel generator sets. Other proposed areas of work include providing energy meters for monitoring power losses, further installation of LED lamps, further usage of captive solar energy, selection of energy efficient equipments and machineries as per BEE guidelines.

Total energy saving as a result of measures taken is estimated at 3 million kWh of energy per annum. This saving, however has no appreciable impact on cost of goods, as the Company's production processes are not energy intensive.

Additional disclosure of total energy consumption and energy consumption per unit of production in respect of paper unit acquired by the Company from April 2011:

1.1 Power and Fuel Consumption:

1. Electricity	
(a) Purchased (Units in kWhr Thousands)	8,477
Total amount (Rs in Thousands)	46,621
Rate/kWhr Unit (Rs)	5.50
(b) Own generation	
Through diesel generator	
(Units in kWhr Thousands)	2,533
Units generated per litre of diesel	3.18
Oil cost/kWhr Unit (Rs)	11.30
2. Briquette	
Quantity (Tonnes)	1,274
Total Amount (Rs in Thousands)	5,403
Average rate/Tonne (Rs)	4,240
3. Furnace Oil	
Quantity (Litres in Thousands)	234
Total amount (Rs in Thousands)	9,579
Average Rate/Litre (Rs)	40.97
4. Paddy Husk	
Quantity (Tonnes)	7,072
Total amount (Rs in Thousands)	22,771
Average rate/Tonne (Rs)	3,220

1.2 Consumption per tonne of Production

Electricity (Units)	1,588
Furnace Oil, Paddy husk and	
Briquette (Equivalent Litres)	1,238

2. Technology absorption, adaptation and innovation

2.1 Technical development

New Products developed:

- Double fed wind generators (slip-ring construction)
- T2 breaker (3P & 4P)
- OS Gamma Switches and Fuse base VS20/32
- 6.6kV class motors for hazardous area application
- High efficiency motors with IE2 level for complete range
- Flame proof motors in frame sizes JHX180 and JHX200
- Motors for thermal power station
- 570 MVA with multi LV 3-phase generator transformer
- Step up transformer bank for 800 MW generator sets
- 500 MVA 765kV 1-phase auto transformer
- 800 kV live tank circuit breaker, current transformer, capacitive voltage transformer
- Load shedding controller PML630 V1.1
- Calendered crepe paper
- Safelink CB RMU
- PML630 for load shedding application
- RER603/601 for secondary automation
- Cheiron range of products (electrical wiring accessories)

Product improvements:

- Improvement in rotor brazing for uniformity of brazing joints
- C5 paint system for motors for corrosive atmosphere applications
- New variant of string monitoring box and MJB redesigned to meet solar customer requirements
- Existing flameproof motors to latest IS/IEC standards
- Low end small power transformers (10-25 MVA 33kV and 5-25 MVA 66 kV)
- Use of VG4s for 7.2kV 40kA 1 sec switchgear application
- Optimised transformer tank design for Large Transformers
- Special bell tank design for large generator transformers
- Aluminum conductor for VMAX contact arm
- Compact LV solution for Unipack
- Unigear ZS1 gas duct from 3mm to 2mm
- Classic Plus switch (6 & 16A) and socket redesigned to make it user friendly
- Use of EL drive for OVB-VBF 36kV breaker
- High speed balancing set up for balancing turbo rotors

Technology adaptation and innovation:

- 765kV transformer technology
- 145 and 245 kV plug and switchgear system (PASS)
- Installation of welding machine to weld ACB E-max terminals
- New production setup for ACS 2000
- High voltage test facility enhanced with new 200 kV system for insulation materials
- MOU signed with PGCIL for the development of 1200 kV power transformer, circuit breaker with in built current transformer and disconnecter

2.2 Benefits derived as a result of the R&D efforts

The Company has derived multifold benefits on account of R&D activities. Benefits have been reflected in terms of improvement of product reliability and quality, standardisation 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 of products in local and global markets.

2.3 Expenditure on Research and Development

Considering the nature of research and development, complexity, competency required, time frame, amount and also to optimise overall cost, all major R&D efforts are pooled centrally at the Group level. Company as a beneficiary of these developments has contributed Rs 51 million (excluding refund related to previous year) to ABB Research Limited, Zurich, Switzerland. Localisation of products manufacturing, adoption to local environment and other improvements, cost saving actions are carried out locally. Total expenditure on such development efforts during the year is estimated to be Rs 10 million.

Imported technologies

3.1 Technologies imported during the last five years

• Residual Current Device (RCD)	2007
• Localisation of TMAX/EMAX MCCBs	2007
• TA 25 Relays	2007
• HT Motors M3BM	2007
• Three phase LV induction motors up to 7.5 kW	2007
• Shunt reactors	2008
• MCD-80 band pass and ETL-600	2008
• 145 kV, SF6 circuit breaker LTB145D1/B	2008
• REF601 relays	2008
• Fuseless capacitors	2008
• Unigear double bus bar switchgear	2009
• TEFC range of machines (HXR range) 100-1400kW	2009
• Contractors size 3, 4 & 5	2009
• ACS 510 drives for general purpose industry	2009
• Global cabinet design LV drives and ACS 5000 MV drives	2009
• 145 kV new design LTBD circuit breaker	2009
• Dry type transformer	2009
• Shunt reactor 50 MVA, 400 kV	2009
• 765 kV power transformer	2010
• 765 kV circuit breaker	2010
• Propulsion and auxiliary traction convertors	2010
• Vacuum contactor VSC	2010
• HXR series motors in frame size 355 to 500	2010
• Double fed wind generators	2010
• ACS 550 with isolator switch and spare kit	2010
• ACS 800 wind converters	2010
• ACS 850-04, ACQ810 and ACSM1 modules	2010
• MCCB – T4 & T5 Breakers	2011
• ACS 2000 drives	2011

All technologies are fully absorbed, except for MCCB – T4 & T5 Breakers.

3.2 Foreign exchange earnings and outgo

(a) Activities related to Exports; initiatives taken to increase exports; development of new export markets for products and services; export plans

During the year Company received export orders worth Rs 8,870 million reflecting growth of 33% over previous year. The export revenues during the year were Rs 8,769 million, reflecting a growth of 80% over previous year. Orders were higher in process automation segment, power system segment and power products segment. Revenues were higher in all the segments.

Power products segment has obtained prequalification for its products in Kuwait and has made progress in transformer factory validation with customers in Oman, Egypt, United Arab Emirates, Qatar and Kenya. The segment has developed new markets in countries such as Lithuania, Chile, Panama, Mali for HV disconnectors, Paraguay, Uzbekistan, Morocco for HV circuit breakers and Peru, Colombia for HV instrument transformers.

The medium voltage business unit has started stocking of outdoor circuit breakers in Ukraine, enabling reduction in lead time. The MV business received its first "Non System Product Packaging" order from Bahrain, included in the scope were MV switchgear, LV switchgear and SCADA. The HV disconnectors business unit is focusing on increase in volume through ABB Group internal channels worldwide.

Power systems segment has taken several steps during 2011 to lay a strong foundation for a sustained exports in the coming years. The substations business unit took several initiatives that have generated enquiries from customers in SAARC countries. In substation automation products, the focus has been to get approval for more products. A modern ABB substation solution has been positioned for the Mali market. The major initiative included completion of IEC61850 interoperability test for 650/670 IED's in Indonesia. The electrical balance of plant unit is pursuing tie ups with local EPC contractors for opportunities in export markets.

Discrete automation and motion segment had significant increase in export revenues over previous year. The major thrust to exports during the year was generated from wind power generators, ACS550 drives and LV motors. Major orders were received for wind power generator from ABB Finland and for LV motors from ABB Spain.

Process automation segment booked orders from Bangladesh, Saudi Arabia, South Korea and Germany. The major orders have been booked by metals, pulp and paper business units. The metals and minerals business units are group internal center of excellence. The segment has

been identified by the ABB Group as the global responsible for primary metals and electrification business. The metals business unit has a market allocation of South Asia, Middle East and Africa region. The segment has started positioning personnel in Malaysia, Bahrain, South Africa for metals and in Lebanon for paper and pulp. The segment is focusing on tie up with EPCs to enhance the market reach.

With management focus, strategies and increasing sourcing of components, products and services from India by the ABB Group companies, prospects for growth of exports in the coming years remains high.

(b) Total foreign exchange used and earned

	(Rs in Millions)	
	2011	2010
(i) Foreign exchange earned	16,660	10,441
(ii) Foreign exchange used	26,229	21,241

For and on behalf of the Board

Gary Steel
Chairman

Place : Bengaluru
Date : February 23, 2012

Annexure – C 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

(i) Composition / Category of Directors / Attendance at Meetings / Directorships and Committee Memberships in other companies as on December 31, 2011

Name	Category of Director	Attendance			Directorships / Mandatory Committee Memberships in Other Companies			
		No. of Board meetings held during 2011	No. of Board Meetings attended	Last AGM attendance	Directorship in Public Companies	Directorship in Private Companies	Mandatory Committee Memberships	Mandatory Committee Chairmanships
Mr. Gary Steel	Non-executive Chairman	5	4	Yes	1	--	--	--
Mr. Bazmi R. Husain	Managing Director	5	5	Yes	1	--	1	--
Mr. N. S. Raghavan	Non-executive & Independent	5	4	Yes	1	8	1	--
Mr. Nasser Munjee	Non-executive & Independent	5	4	No	13	2	4	3
Mr. D. E. Udwardia	Non-executive & Independent	5	5	Yes	12	6	8	--
Mr. Arun Kanti Dasgupta	Non-executive & Independent	5	3	No	3	--	--	--
Mr. Peter Leupp	Non-executive	5	4	Yes	1	--	--	--
Mr. Francis Duggan	Non-executive	5	2	No	--	--	--	--
Mr. Biplab Majumder *	Non-executive	5	1	No	--	--	--	--

Directorships in foreign companies, alternate directorships and membership in governing councils, chambers and other bodies are not included.

* Mr. Biplab Majumder did not seek re-appointment at the Annual General Meeting and hence ceased to be Director with effect from May 10, 2011.

None of the Non-executive Directors has any pecuniary relationship or transactions with the Company except Mr. D. E. Udwardia, where the Company has paid Rs 1,748,365/- to the law firm M/s. Udwardia & Udeshi 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. Mr. D.E. Udwardia, a Director of the Company, is a Partner of the said firm. 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. Udwardia as a Director of the Company.

(ii) No. of Board Meetings held in the Financial Year 2011 and dates on which held

The Board meets at least once in a quarter to consider amongst other business, the quarterly performance of the Company and the financial results. The Board has held five meetings during the financial year 2011 i.e., on February 23, March 11, May 11, August 9, and November 8, 2011.

3. Audit Committee

(i) Terms of Reference

The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly / half-yearly / annual financial statements, reviewing with the management on the financial statements and adequacy of internal audit function, recommending the appointment / re-appointment of Statutory Auditors / Cost Auditors and fixation of audit fees, reviewing the significant internal audit findings / related party transactions, reviewing the Management's Discussion and Analysis of financial condition and result of operations. The Cost Audit Report is also reviewed by the Committee. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

The Committee discussed with the external auditors their audit methodology, audit planning and significant observations/suggestions made by them. The Committee also discussed major issues related to risk management and compliances including review of Management letters.

In addition, the Committee has discharged such other role/function as envisaged under Clause 49 of the Listing Agreement of the Stock Exchanges and the provisions of Section 292A of the Companies Act, 1956.

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

The Company has complied with the requirements of Clause 49 of the Listing Agreement of the Stock Exchanges and Section 292A of the Companies Act, 1956, as regards composition of Audit Committee.

The Audit Committee presently consists of four Non-executive Independent Directors. The Committee has held five meetings during the financial year 2011 i.e., on February 22, May 11, July 11, August 9 and November 7, 2011. The composition of the Audit Committee as on December 31, 2011 and the attendance of members at the meetings of the Audit Committee held during the financial year 2011 were as follows:

Members of Audit Committee	No. of meetings attended
Mr. Nasser Munjee (Chairman)	4
Mr. N. S. Raghavan	5
Mr. D. E. Udhwadia	5
Mr. Arun Kanti Dasgupta	2

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

4. Remuneration Committee

(i) Terms of Reference

The role of the Remuneration Committee is to recommend to the Board, the remuneration package for the Managing/Executive Director(s).

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

The Remuneration Committee presently consists of 3 Non-executive Directors, the Chairman being Non-executive and Independent. No meeting of the Committee was held during the financial year 2011. The composition of the Remuneration Committee as on December 31, 2011 is as under:

Members of Remuneration Committee:

Mr. N. S. Raghavan (Chairman)
Mr. Gary Steel
Mr. Arun Kanti Dasgupta

(iii) Remuneration Policy/Criteria of payments to Non-executive Directors

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive/Non-executive Directors. Their remuneration is governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration determined for the Executive/Non-executive Directors is subject to the approval of the Board of Directors and the Members.

The Non-executive Independent Directors are compensated by way of a 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.

(iv) Details of remuneration to all the Directors paid during the financial year 2011

(Rs in Thousands)

Name	Sitting Fees	Salary & Perquisites	Commission (*) / Bonus	Stock Option	Pension
Mr. Bazmi R. Husain	Nil	17,742	NA	Nil	Nil
Mr. Biplab Majumder	10	NA	Nil	Nil	Nil
Mr. N.S. Raghavan	110	NA	218	Nil	Nil
Mr. Nasser Munjee	80	NA	327	Nil	Nil
Mr. D. E. Udawadia	120	NA	327	Nil	Nil
Mr. Arun Kanti Dasgupta**	50	NA	327	Nil	Nil

* Commission for the year 2010 paid during 2011.

** Amount paid to Life Insurance Corporation of India

Fixed Component / Performance Linked Incentive / Criteria

Bonus is payable to the Managing Director only, which is in line with the Contract entered between the Company and Mr. Bazmi R. Husain.

Service Contract / Notice Period / Severance Fees

- The Contract of Service entered into by the Company with Mr. Bazmi R. Husain, 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.
- No severance fee is payable by the Company on termination of the agreement/s.

5. Shareholders' Committee

The Board of Directors of the Company had set up an Investors' Grievance Committee which has been authorised to approve the transfer/transmission/ transposition of shares.

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 approves the transfer/transmission of shares generally at a frequency of about twice a month.

Four meetings of Investors' Grievance Committee were held during the financial year 2011 i.e., on February 23, May 11, August 9 and November 8, 2011.

Mr. B. Gururaj, Company Secretary is the Compliance Officer of the Company.

The composition of Investors' Grievance Committee as at December 31, 2011 and attendance of the Committee members at the meetings were as follows:

Members of Investors' Grievance Committee	No. of meetings attended
Mr. D. E. Udawadia (Chairman)	4
Mr. N. S. Raghavan	4
Mr. Bazmi R. Husain	4

The details of investors' complaints received and resolved during the financial year 2011 are as under:

No. of investors' complaints received during 2011	No. of investors' complaints resolved during 2011	Investors' complaints pending at the end of 2011
193	193	NIL

6. Subsidiary Company

Effective December 1, 2011, Baldor Electric India Private Limited has become wholly owned subsidiary of the Company. Necessary compliance on listing requirements are being adhered by the following means:

- The Financial Statements, in particular, the investments made by the unlisted subsidiary company are reviewed by the Company's Audit Committee as well as by the Board.
- The minutes of the Board meetings of the subsidiary company are noted at the Board meeting of the Company. Further a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company are placed before the Company's Board, as and when applicable.

7. General Body Meetings

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

For the Year	Venue	Day & Date	Time
2010	The Atria Hotel, "Chancery", No.1, Palace Road, Bengaluru – 560 001	Tuesday May 10, 2011	3:00 p.m. (IST)
2009	The Atria Hotel, "Chancery", No.1, Palace Road, Bengaluru – 560 001	Tuesday May 11, 2010	11:00 a.m. (IST)
2008	The Lalit Ashok, "Kalinga", Kumara Krupa High Grounds, Bengaluru – 560 001	Tuesday May 19, 2009	11.00 a.m. (IST)

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

No Special Resolution passed in the last three Annual General Meetings i.e. AGMs held on May 19, 2009, May 11, 2010 and May 10, 2011.

(iii) Postal Ballot

No postal ballot was conducted in the year 2011. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

8. 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.

(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.

The Company has complied with all the requirements of the Listing Agreement of the Stock Exchanges as well as regulations and guidelines of SEBI. 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 of ABB Group. The employees of the Company have access to approach the Management on any issues relating to Code of Conduct/Business Ethics. ABB Group has a business ethics hotline maintained at Group's headquarter at Zurich for making any complaint by anyone on compliance issues. No personnel have been denied access to the Audit Committee.

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement.

The Company has fully complied with the mandatory requirements of Clause 49 of the Listing Agreement of the Stock Exchanges, except Clause 49(1A) in regard to composition of the Board. This is due to the reason that during the short period from January 1, 2011 to May 10, 2011, the number of non-independent Directors exceeded the number of independent Directors, by one Director, consequent to appointment of Mr. Biplab Majumder, as additional Director, immediately after his retirement as Vice Chairman & Managing Director.

Further, the Company has adopted one non-mandatory requirement of Clause 49 of the Listing Agreement, viz. Remuneration Committee of the Board, which has been constituted to determine the remuneration package of the Executive Director(s).

9. Means of Communication

(i) Quarterly Financial Results / Official News Releases

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

The financial results and the official news releases are also placed on the Company's website 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.

10. General Shareholder Information

(i) Annual General Meeting

Day, Date, Time and Venue:

The Company will be holding its 62nd Annual General Meeting on Thursday, May 10, 2012 at 11.00 a.m. (IST) at 'Trinity Hall' Vivanta by Taj (formerly Taj Residency) 41/3 Mahatma Gandhi Road, Bengaluru – 560 001.

Agenda:

- a) Adoption of Audited Accounts, Directors' and Auditors' Report
- b) Declaration of Dividend
- c) Re-election of Directors retiring by rotation
- d) Re-appointment of M/s. S. R. BATLIBOI & CO., Chartered Accountants as Auditors
- e) Consent of Members for payment of commission to the non-executive directors for the years 2012-2016

(ii) Profile of Directors seeking re-appointment

The profile of Directors who are seeking re-appointment at the Annual General Meeting is furnished below:

Brief profile of Directors and nature of their expertise in functional areas	Directorships/Committee Memberships in other companies	Shareholding in ABB Limited
<p>Peter Leupp</p> <p>Non-exécutive Non-Independent Director</p> <p>Mr Peter Leupp, 60, holds Degree in Electrical Engineering (Dipl.Ing.) from Swiss Federal Institute of Technology (ETH), Zurich, Switzerland. He has been with the ABB Group since 1977 and has held several key positions in various capacities. Currently, he is Head of Division, Power Systems and also Member of the Group Executive Committee of ABB Limited, Zurich, Switzerland.</p>	<p>Directorships:</p> <ol style="list-style-type: none"> 1. ABB Global Industries and Services Ltd <p>Committee Memberships:</p> <p>Nil</p>	<p>Nil</p>
<p>Nasser Munjee</p> <p>Non-executive Independent Director</p> <p>Mr Nasser Munjee, 59, has done his post graduation in Economics from The London School of Economics. He began his career in 1978 as an Executive Director in Housing Development Finance Corporation Limited. In 1997, he joined Infrastructure Development Finance Company Limited as its Deputy Managing Director and later held the position of Managing Director and CEO. At present, he is the Chairman of Development Credit Bank Limited.</p>	<p>Directorships:</p> <ol style="list-style-type: none"> 1. Ambuja Cements Limited 2. Bharti AXA Life Insurance Co. Limited 3. Britannia Industries Limited 4. Cummins India Limited 5. Development Credit Bank Limited 6. HDFC Limited 7. HUDCO Limited 8. Reid & Taylor (India) Limited 9. Shipping Corporation of India Limited 10. Tata Chemicals Limited 11. Tata Motors Limited 12. Unichem Laboratories Limited 13. Voltas Limited <p>Audit Committee Memberships:</p> <ol style="list-style-type: none"> 1. Bharti AXA Life Insurance Co. Limited 2. Britannia Industries Limited. 3. Cummins India Limited (Chairman) 4. Tata Chemicals Limited (Chairman) 5. Tata Motors Limited (Chairman) 6. Unichem Laboratories Limited 7. Voltas Limited 	<p>Nil</p>

Directorships in foreign companies, alternate directorships, directorships in private companies and membership in governing councils, chambers and other bodies are not included. Similarly membership in non-mandatory committees are also not included.

(iii) Financial Year

Indicative calendar of events for the year 2012 (January - December) excluding Extra Ordinary General Meeting(s), if any, are as under:

Fourth Quarter Financial Results (Year 2011)	February 2012
First Quarter Financial Results	May 2012
Annual General Meeting	May 2012
Second Quarter Financial Results	August 2012
Third Quarter Financial Results	November 2012

In terms of the circular issued by Ministry of Corporate Affairs, as a Green Initiative and subsequent amendment to the Listing Agreement, necessary communication was circulated to all the shareholders of the Company on August 10, 2011 to register their e-mail IDs. Accordingly, the soft copy of notice and annual report for the year 2011 has been circulated to the respective e-mail IDs registered and available in Company 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 4, 2012 to May 10, 2012 (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 May 14, 2012, to those shareholders whose names appear on the Company's Register of Members as on May 3, 2012.

(vi) Listing on Stock Exchanges

The equity shares of the Company are currently listed at National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid till date, appropriate listing fee to both the stock exchanges where the Company's equity shares are listed.

Pursuant to amendment to the Listing Agreement by inserting Clause 5A, the Company's Registrar & Transfer Agents have already sent three reminders to those shareholders whose share certificates were returned undelivered and remain unclaimed so far. Your Company will initiate appropriate steps on unclaimed shares by transferring it to one folio in the name of "Unclaimed Suspense Account", and the voting rights on such shares shall remain frozen till the rightful owners claim the shares.

(vii) Stock Code

National Stock Exchange
ABB

Bombay Stock Exchange
500002

ISIN
INE117A01022

(viii) Market Price Data

The market price data and volume of the Company's shares traded in the Bombay Stock Exchange and the National Stock Exchange, during the year 2011 were as follows:

Period 2011	BSE (Rs)		BSE Sensex		NSE (Rs)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
January	824.95	688.00	20,664.80	18,038.48	817.10	687.00	6,181.05	5,416.65
February	753.00	595.80	18,690.97	17,295.62	780.60	595.00	5,599.25	5,177.70
March	829.70	666.20	19,575.16	17,792.17	830.00	661.65	5,872.00	5,348.20
April	895.00	745.00	19,811.14	18,976.19	895.00	777.35	5,944.45	5,693.25
May	907.00	831.30	19,253.87	17,786.13	912.90	832.15	5,775.25	5,328.70
June	880.95	805.00	18,873.39	17,314.38	882.50	811.35	5,657.90	5,195.90
July	904.50	821.25	19,131.70	18,131.86	904.00	842.00	5,740.40	5,453.95
August	907.50	750.55	18,440.07	15,765.53	907.00	752.00	5,551.90	4,720.00
September	879.85	689.00	17,211.80	15,801.01	879.40	687.50	5,169.25	4,758.85
October	740.00	657.00	17,908.13	15,745.43	757.30	650.10	5,399.70	4,728.30
November	740.00	571.30	17,702.26	15,478.69	720.00	571.20	5,326.45	4,639.10
December	645.00	541.10	17,003.71	15,135.86	645.95	541.00	5,099.25	4,531.15

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

ABB Share Price Movement v/s BSE Sensex

January - December 2011

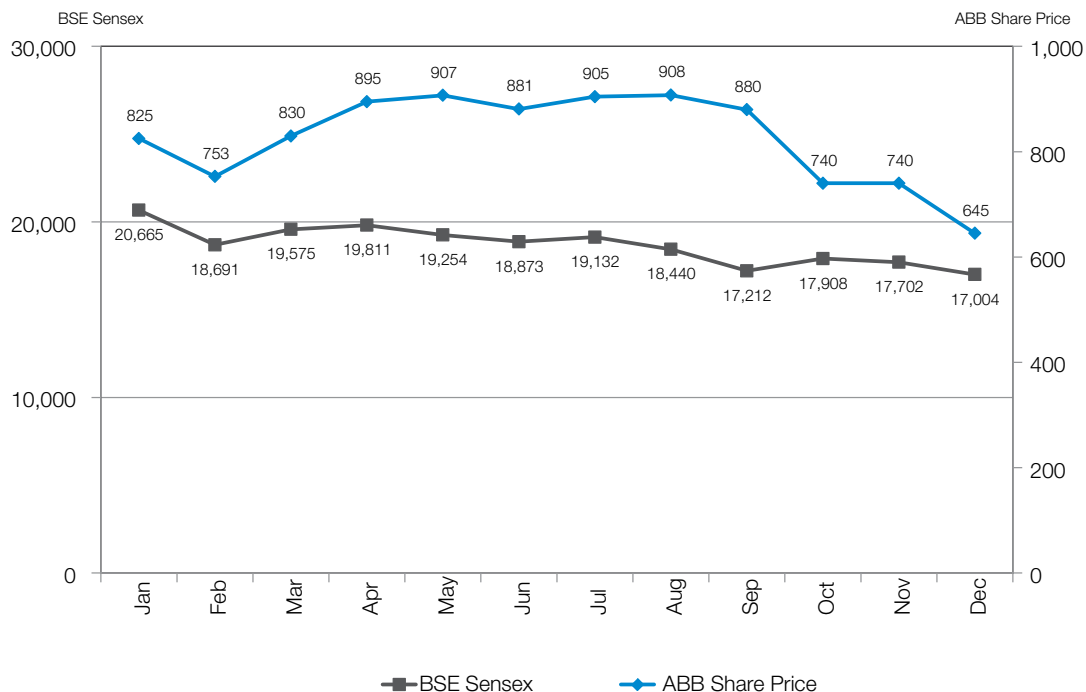
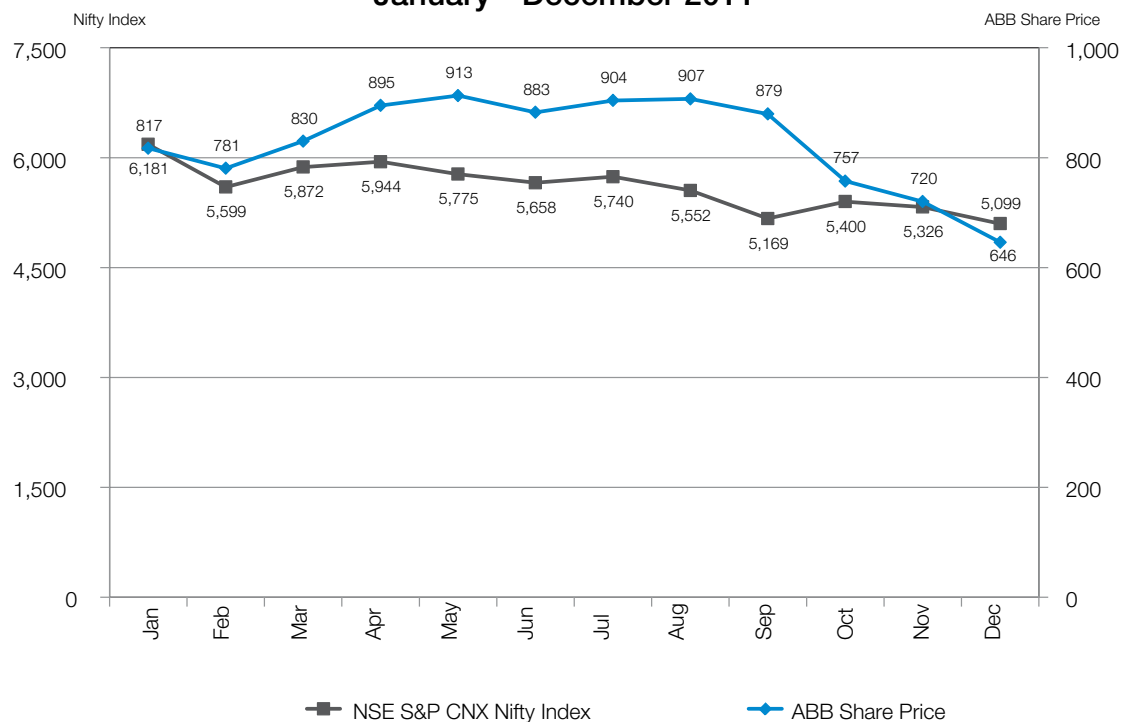


ABB Share Price Movement v/s NSE S&P CNX NIFTY Index

January - December 2011



(x) Registrar and Share Transfer Agents

Karvy Computershare Private Limited
(Unit: ABB Limited)
No.51/2, T K N Complex, Vanivilas Road
Opp. National College, Basavanagudi
Bengaluru 560 004
Tel. No.080-26621192
Fax No.080-41312645
E-mail: sksharma@karvy.com

Plot No.17-24, Vittal Rao Nagar
Madhapur
Hyderabad - 500 081
Tel.No.040-23420815 – 28
Fax No.040-23420814
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 Investors' Grievance 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 at a frequency of about twice a month. The share transfer process is reviewed by the said Committee.

(xii) Shareholding Pattern

Shareholders	As on 31.12.2011		As on 31.12.2010	
	No. of shares	%	No. of shares	%
ABB Asea Brown Boveri Ltd. Zurich & ABB Norden Holdings AB, Sweden	158,931,282	75.000	158,931,282	75.000
Non-Resident Individuals/OCBs	333,468	0.157	335,763	0.158
Directors and their relatives	3,500	0.002	3,500	0.002
LIC/UTI/Other Insurance Cos.	23,634,311	11.153	24,032,871	11.342
Nationalised Banks/Other Banks	503,384	0.238	511,266	0.241
Mutual Funds	3,057,284	1.443	1,446,041	0.682
Foreign Institutional Investors	6,385,574	3.013	6,374,960	3.008
Bodies Corporate/Trust	1,346,350	0.635	1,850,122	0.873
General Public	17,713,222	8.359	18,422,570	8.694
Total	211,908,375	100.00	211,908,375	100.00

(xiii) Distribution of Shareholding as on December 31, 2011

Category	No. of Shareholders	No. of Shares held	% of equity capital
1 – 5000	87,374	15,050,048	7.10
5001 – 10000	261	1,751,926	0.83
10001 – 50000	122	2,202,420	1.04
50001 – 100000	14	960,611	0.45
100001 and above	21	191,943,370	90.58
Total	87,792	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) Ltd., (CDSL). The Company's equity shares are compulsorily traded in the dematerialised form.

As on December 31, 2011, 208,469,897 equity shares of the Company have been dematerialised representing 98.38% of the total shares (102,015,594 equity shares were in dematerialised form representing 48.14% of the total shares as on December 31, 2010).

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

(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

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, 2011.

(xvii) Plant Locations

The Company's plants are located at Bengaluru, Faridabad, Haridwar, Mumbai, Mysore, Nashik and Vadodara.

(xviii) Address for Correspondence

ABB Limited
2nd Floor, East Wing, Khanija Bhavan,
49, Race Course Road,
Bengaluru - 560 001
Phone: 080-22949150 to 22949153 Fax: 080-22949148
Corporate Secretarial E-mail ID: investor.helpdesk@in.abb.com
Corporate Website: www.abb.co.in

(xix) Corporate Identity Number

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

(xx) Non-Mandatory Requirements

Remuneration Committee of the Board to determine the remuneration package for the Managing / Executive Director(s).

For and on behalf of the Board

Gary Steel
Chairman

Place : Bengaluru
Date : February 23, 2012

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Business Conduct Guidelines (Code of Conduct)

In accordance with Clause 49 I D of the Listing Agreement with the Stock Exchanges, 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, 2011.

For ABB Limited

Bazmi R. Husain
Managing Director

Place : Bengaluru
Date : February 23, 2012

Annexure – D to Directors' Report

Corporate Governance Compliance Certificate

To
The Members of ABB Limited

We have examined all relevant records of ABB Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with National Stock Exchange of India Limited (NSE), and Bombay Stock Exchange Limited (BSE), for the financial year ended December 31, 2011.

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 the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory requirements of the said Clause 49 of the Listing Agreement.

FOR D.R.Shressha & Associates
Company Secretaries

D.R.Shressha
Proprietor
C.P.No. 6119

Place : Bengaluru
Date : February 23, 2012

Management's Discussion and Analysis

Economic and Market Overview

The year 2011 witnessed a paradigm shift by the Government towards promoting investment in alternate energy resources and improving energy consumption while technology and energy efficiency were the key drivers, green sectors like renewables garnered high focus. However, from the economy perspective, 2011 saw a mixed scenario of growth - while the first six months saw signs of the economy picking up, the second half had a chequered pattern. There have been corrections in the GDP growth rate estimate which is currently forecasted around 7.0% from the initial 9.0%. Starting from high growth rates in 2010, the volatility in the IIP during the year was rather unexpected. Added to this, the impact of inflation, credit squeeze in the markets, delayed financial closures of projects, continued fuel linkage and environmental concerns had its impact on the decisions of the industry and power plants.

Operations Overview

During 2011, the Company continued to deliver power and automation solutions that help our customers meet the challenges of the rapidly-changing world. Foremost among these are solutions to use electrical energy more efficiently and with less impact on environment. The Company continued with its long term commitment to provide the customers with high end & high-efficiency technology for power transmission and automation and control systems to manage complex processes. As a step towards achieving this objective, the Company strengthened its management team, by induction of specialists for Technology and Operations.

Despite the uncertainties surrounding the economic situation in 2011, the Company leveraged upon the broad scope of the portfolio. Signs of recovery were witnessed during the year in our early-cycle businesses such as Low Voltage Products and Discrete Automation. This helped the Company to offset the downturn in the later cycle businesses such as Power Products and Process Automation.

The Company secured orders of Rs 81,888 million against Rs 63,496 million in the previous year. The year 2011 witnessed strong growth in both large and base orders. There were two landmark large orders comprising of PGCIL NE Agra HVDC Project and Isolux that were booked during the year. Order backlog at the end of the year stood at Rs 91,288 million thereby providing significant revenue visibility for the coming year. Revenues during the year were at Rs 74,651 million as compared to Rs 63,726 million in the previous year. Profit before tax was Rs 2,677 million against previous year of Rs 1,002 million. Business growth, improved operational efficiencies and favourable forex impact resulted in improved profits during the year. Net profit after tax was Rs 1,845 million for the year compared to Rs 632 million in the previous year. Earning per equity share (face value of Rs 2) was significantly higher at Rs 8.71 compared to Rs 2.98 in the previous year.

As a part of consolidation and business synergies, during the year the Company bought the operating businesses from ABB Global Industries and Services Limited which complemented the existing business lines in power products and low voltage products segment.

Customer Engagement

In September 2011, the Company hosted its largest customer event - Automation and Power World (APW) in Delhi. With over 2500 customers and more than 1000 employees participating in the event over three days, APW turned out to be one of the biggest exhibition and conference of its kind. The exhibition had the widest range of ABB products, technologies and solutions on display. The three days of APW were packed with knowledge-sharing and networking opportunities allowing the delegates to connect, learn and succeed in achieving the common goal of building a low carbon economy. The success of this event reinforced ABB's

leadership in Power and Automation sector. This event provided a platform for launch of new products like Safelink Circuit Breaker in Medium Voltage and Symphony™ Plus in Control and Instrumentation.

The Company also launched a program called Net Promoter Score (NPS) to conduct a survey of customer satisfaction levels. During this exercise the customers were individually contacted by our employees, to understand the issues better and to address them effectively. While the Company received positive feedback on technological capability and value that we bring to our customers through our engineering skills, areas like setting new standards in commissioning, spares management and customer training needs more Company focus to improve upon the customer satisfaction levels.

Outlook

We expect the long term outlook to be positive in power sector with the government addressing specific issues and fostering investments to boost the sector. Also steps to push green initiatives and low carbon emissions will see a shift in demand for high technology products. Additional government initiatives in the infrastructure space will augment overall demand for power industry resulting in an increased demand supply gap. In the industry and manufacturing space, there will be a likely shift from green field investments to enhancing operational efficiencies including capacity utilization, energy and process efficiency and productivity. Keeping in view the above, ABB Group's continued unstinted support and engagement, comfortable order backlog position, adequate manufacturing infrastructure and engineering capabilities, the management is confident of sustainable profitable growth in coming years, barring unforeseen circumstances.

Business Segment Analysis

The relative distribution of revenues amongst the different business segments is as under:

	2011	2010
Power System (PS)	29%	27%
Power Products (PP)	25%	26%
Discrete Automation & Motion (DM)	22%	23%
Low Voltage Products (LP)	7%	7%
Process Automation (PA)	17%	17%

Power Systems Segment (PS)

The summarised performance of this segment is as below:

	(Rs In Millions)	
	2011	2010
Orders	32,041	18,324
Order Backlog	50,092	41,887
Revenues	23,624	18,267
Result	(8)	(1,105)

2011 was one of the toughest years for India in the recent times as most macro-economic parameters were discouraging. However the year had its share of positives as well. In line with the government's investment plan, there was a power capacity addition of about 14GW. The increase in private sector participation boosted the pace of capacity addition. The year also saw solar power hurtling towards grid parity. Despite challenges arising from inflation, financial closures and coal shortages in 2012, the prominence of the private sector and thrust on renewable energy will continue to grow. India will continue to have a latent demand in the power and industry sectors with its growing population and increasing power shortage. Urbanisation will be one of the key drivers in metros and water infrastructure segments. This coupled with huge focus in building a low carbon economy represents a strong opportunity to grow in this segment.

In the midst of a difficult year, impacted by the delay in decision for new power plants and stronger competition, the segment continued to post a healthy order book. ABB in India won its biggest order in the history – the North-East Agra Transmission project. The order is valued at over Rs 40,000 million for the ABB Group of which ABB India's share is Rs 5,650 million. The project involves setting up an ultra-high-voltage direct current transmission to supply hydropower from north eastern India to the central parts of India. The NE Agra project will be the world's largest multi-terminal 800kV UHVDC transmission project to supply hydropower across 1,700 kilometers, with the highest ever converter capacity of 8000 MW, which is a new global benchmark in HVDC technology. When operating at full capacity, the system will supply electricity to about 90 million people. ABB is a pioneer in the UHVDC technology. It represents the biggest capacity and efficiency leap in over two decades.

Apart from the above, the segment also booked the following other major projects

- Isolux UPPTCL BOOT Package – Scope includes supply of 765kV/400kV substations
- PGCIL Champa: Design, engineering, supply and installation & commissioning of 765kV & 400kV switchyards
- SAIL Bhilai Steel Plant: Design, supply, installation and commissioning the HV substations for SAIL's Bhilai Steel Plant in Chhattisgarh. This will help in augmenting the plant's capacity from 5 MPTA to 7 MPTA
- Electrical balance of plant for 2x135 MW Essar Hazira and 1x350 MW KVK Neelanchal
- Supply and installation of Symphony distributed control system and instrumentation package for 1260 MW Wanakbori Thermal Power Plant.

The segment also made significant forays into the renewable energy sector with BOP (balance of plants) for solar plants for over 20MW from clients like Punj Lloyd, Moser Baer and Soma.

During the year, the company successfully commissioned electrical systems for Reach 1 of the Bangalore Metro Rail Project. It also commissioned the SCADA system for one of the world's largest refinery of Reliance Industries at Jamnagar with a record load shedding timing of 60 seconds. Apart from these, several other projects were successfully commissioned during the year in Electrical Balance of Plant, 400/220kV substations and GIS projects.

Even though there was considerable improvement of the results during the year, there was a negative impact by the exit costs of Rural Electrification projects and execution of low margin orders. With the backdrop of the Government's objective to give a boost to transmission and distribution as laid out in 12th 5-year plan and good order backlog position, outlook for the segment is expected to remain positive.

Power Products Segment (PP)

The summarised performance of this segment is as below:

	(Rs in Millions)	
	2011	2010
Orders	22,568	15,903
Order Backlog	20,881	18,188
Revenues	20,008	18,155
Result	998	819

The business environment for the power products segment continued to depend upon the transmission and distribution capacity augmentation. Investments were however impacted by the effects of global recession. The demand for new products in the segment was strong and with 12th 5-year plan having more expectations of fresh capacity additions, supporting the

view that power demand is not for the short term. Though the market offers a huge potential, the company may witness the challenges of better price realisation with other players adding facilities apart from international players joining the fray.

The following significant direct orders were received by this segment during the year apart from supplying products to large orders booked by the Power Systems Segment

- 500MVA 765kV single phase transformers and 80 MVA, 765kV single phase reactors from PGCIL
- Single largest order booked for 66kV Circuit Breakers (729 Nos) from Punjab State Transmission Corporation Limited and 145kV Circuit Breakers (346 Nos) from RRVNL respectively
- First breakthrough order from Reliance Industries Ltd., for 33kV AIS with RELION relays
- Repeat orders from CSPC, Bhushan and Torrent Power for medium voltage equipment

During the year the Power Products segment successfully launched Safe Link Circuit Breaker. To meet the challenges of the market environment, the segment has embarked on a program for local development of technology in HV and EHV range. The segment will continue with its investment plans to set up new greenfield factories for GIS to cater to voltage class (66-400kV) and Dry type and oil filled transformers. During the year the segment has successfully tested and supplied 765kV power transformers, breakers and current transformers. As a part of the ongoing initiatives, the segment has also signed an MOU with PGCIL for development of 1200kV Dead tank breaker and power transformer for Bina Substation under 1200kV development project.

During the year of 2011, the segment achieved good success in increasing the exports. Also the segment expanded the product portfolio with more products in 765kV Voltage class. However inspite of increased competition and price pressure, the segment posted a overall growth in business.

With large potential forecasted in the infrastructure sector, participation of private players in IPP and BOOT projects expediting the growth and major opportunities in 765kV space the segment remains positive to garner a good market share. Enhanced export opportunity with access to new markets and geography is expected to provide further support to boost the future growth.

Discrete Automation and Motion (DM)

The summarised performance of this segment is as below:

	(Rs in Millions)	
	2011	2010
Orders	19,262	15,226
Order Backlog	12,542	11,368
Revenues	17,993	15,929
Result	2,066	1,321

A positive market environment particularly in the first half of the year coupled with range expansions, formation of new business verticals and focused marketing efforts resulted in the segment registering a growth of 27% in base orders. Supported by a strong order backlog and focused execution, the revenues in this segment grew by 17%. During the year the segment was able to sustain its market position in all its product segments. There was focus on all major OEM segments including HVAC, Pumps and Compressor, Boiler and General machinery manufacturers, Food and Beverages, Power Generation, Fans and Blowers etc. Orders were received from major OEMs like Ingersoll Rand, Atlas Copco, Kirloskar Brothers, Thermax, Cethar Vessels, Mather and Plat Pumps etc. Focus on renewable energy sector resulted in orders from Wind & Solar customers like

Siemens, Gamesa and Inox wind. A significant highlight was the bagging of solar inverter orders close to 100MW within 6 months of the launch.

The segment successfully commissioned 5000 kVA propulsion converters for CLW – Wag 9 electrical locomotives which are used for carrying of coal from mines to power plants under stringent load conditions. The company also successfully commissioned its first Lift Irrigation project in Andhra Pradesh. The segment also witnessed further expansion of channel partner network to over 230 Nos. thereby contributing to higher revenues.

While the competitors are expanding their capacities which may impact the price levels, the expectation of revival of the economy and investment activities shall support to continue with the outlook for the segment to remain positive. The segment has strong order backlog, adequate engineering and manufacturing capabilities and shall continue with its initiatives on market penetration, channel partner activities, increased focus on e-business and range expansions. This would support the segment to continue with the growth momentum in 2012.

Low Voltage Products (LP)

The summarised performance of this segment is as below:

(Rs in Millions)		
	2011	2010
Orders	5,647	4,636
Order Backlog	1,231	961
Revenues	5,399	4,486
Result	341	18

This segment offers a wide range of products and systems with related services that help customers to improve productivity, save energy, increase safety, provide protection, control and measurement for electrical installations. The main applications are in industry, buildings, data centers, transportation and renewable energy applications. The major share of revenues come through channel partners, OEMs, system integrators and panel builders apart from a portion which includes direct sales to the end users and utilities.

The business environment for this segment was a mixed bag. The first half of the year witnessed robust growth, the second half was sluggish due to rising commodity prices and interest costs. However with strategic thrust on marketing initiatives and range expansions, the segment grew by over 20% both in orders and revenues. Increase in revenues, supply chain management initiatives, strategic marketing moves and operational efficiencies resulted in improving the profitability of the segment.

During the year, major focus was on increasing market bandwidth by covering the white spots, adding more sales force and channel partners. Infrastructure projects like metro rail, high-end housing and commercial building projects, focus on power projects and renewable energy continued to be the key demand drivers for the segment.

The segment also embarked upon localization initiatives to remain competitive across all segments. Localization of Air Circuit Breakers of E3 Frame with rating from 2500A to 3200A, T3 range of moulded case circuit breakers (MCCB) upto 250A, simplified version of the MNS IS Switchgear panels were accomplished during the year. In addition, several new products catering to different industrial applications were introduced. It included cable distribution cabinets for the power distribution sector, photovoltaic range of MCCB and MCB for solar applications, Control Fuse base and Terminal blocks for the switch boards.

As a part of the capital expenditure program, a new semi-automated line for manufacturing a new range of miniature circuit breakers (MCB) with a capacity to produce 12 million poles per annum has been set up in Nelamangala, Bengaluru.

The segment will continue with its thrust on increased market coverage through new channels, push in retail segments, improved service network etc. With this continued focus and expected positive investment climate in infrastructure the overall outlook for the segment remains positive.

Process Automation (PA)

The summarised business performance is as below:

(Rs in Millions)		
	2011	2010
Orders	11,451	15,336
Order Backlog	15,483	17,146
Revenues	13,219	11,887
Result	377	816

With economic parameters weakening during the year, 2011 was a challenging year for the industry. Inflation, rising input costs and high borrowing costs resulted in driving the industry to adopt caution in their investment decisions.

The segment's performance was dependent on opportunities from increased demand for energy efficient solutions, ongoing expansions of various SAIL projects, expected boom in hydrocarbon segment and increased paper consumption leading to revamping by importing old mills from developed countries.

To meet this downturn, the segment drew on an increased focus on

- Service business by opening of service hubs across the country, adding more talent into the service teams
- Opportunities in the Middle East, Africa, South East Asian markets
- 'Customer connect' initiatives

While recovering from slowdown, the segment saw growth in base orders with no major large orders. The segment received significant orders from JK Paper, BILT, Abul Khair Steel, Asian Paints and Samsung Engineering followed by the first full service order from Caterpillar India.

Major projects that were commissioned during the year included

- Hot Annealing and Pickling Line (HAPL) with technology control and mathematical model for mill at JSL
- Revamping of 6 stand continuous hot strip mill of Rourkela Steel Plant of SAIL
- Upgradation of Line 1 of Ambuja Cements
- Crane electric project of 10 MT for JSW

While the market is expected to be in a correction phase, the push by the government to improve the infrastructure and better the investment climate is expected to give a fillip to the investment by the industry in specific segments like infrastructure, urbanisation, transportation, oil and gas and metals. With the above backdrop, this segment will see the demand increasing whilst the margins will be under pressure. The segment will continue to take initiatives to focus on services business stream and various other geographical markets to achieve profitable growth.

Finance

Even under challenging liquidity environment, the Company was able to arrange finance at competitive rates to meet the increased working capital needs and to fund the acquisitions. As a result of frequent increase in the basic interest rates by the banks and higher borrowings the interest costs for the Company increased to Rs 307 million against Rs 174 million in the previous year. Due to reasons mentioned above, there was deterioration in the cash balance at the end of year, which was Rs 2,643 million compared to Rs 5,871 million in the previous year. The Company continued its policy

to hedge all its foreign currency exposures for imports and exports to protect the contract margins. As in the past, the company maintained excellent relationship with the major banks in India and was able to avail and negotiate favourable terms for various banking facilities.

Human Resources

One of the key success factors for the sustainable growth of the organisation has been our employees. The company has implemented various HR initiatives during the year to improve the motivation levels of the employees keeping in view the tough business environment and the need to retain the talent. Several employee engagement programs were conducted thereby restricting the attrition levels. Several work instructions were reviewed and made more employee-friendly, more practical and supported quick decision making.

During the year, the company further improved upon the process of goal setting and measuring the performance of the employees so as to give more importance to performance oriented culture within the organisation. It also ensured that employees were adequately trained to meet the market demands in terms of technology and management skills.

The Company continued to develop innovative methods for accessing and attracting skilled professionals mainly in areas of sales and marketing, project management and engineering.

As in the past the industrial relations continued to remain cordial at all the locations of the Company.

The company had 6,926 permanent employees against 6,128 in the previous year.

Internal Control System

The Company has in place effective systems of internal control ensuring accurate, reliable and speedy compilation of financial statements and management information reports, safeguarding the assets and interests of the Company and ensuring compliance with Company policies, laws and regulations.

The Company has a comprehensive budgetary control system and the management regularly reviews actual performance. The Company has also put in place a well-defined organisation structure, clear authority levels and detailed internal guidelines for conducting the business transactions. During the year, the Company rationalised and simplified internal guidelines and management instructions which were further reviewed by an independent professional firm from the best practices and internal control point of view. The Company has an independent internal audit department that conducts regular audits to ensure adequacy of the internal control system, adherence to the management instructions and its compliance. Audit plans are prepared well in advance based on risk assessment. Internal audit also conducts reviews to ensure implementation of the recommendations and suggestions. The Audit Committee of the Board of Directors periodically review the audit plans, observations and recommendations of internal and external auditors with reference to the significant risk areas and adequacy of internal controls.

As per the requirement of the Sarbanes Oxley Act 2002 and Clause 49 of the listing agreement with the Stock Exchanges, the management has adequate internal control procedures over financial reporting.

CEO / CFO Certification

To
The Board of Directors
ABB Limited

We certify that;

1. We have reviewed the financial statements and cash flow statement of ABB Limited for the year ended December 31, 2011 and to the best of our knowledge and belief;
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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.
2. To the best of our knowledge and belief, there are, no transactions entered into by the company during the year, which are fraudulent, illegal or violating the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls over financial reporting and 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 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.
4. We have indicated to the auditors and the audit committee that there are
 - (i) significant improvement in internal controls over financial reporting during the year;
 - (ii) changes in accounting policies made during the year as have been disclosed in the notes to the financial statements;
 - (iii) no instance 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 system on financial reporting.

Bengaluru,
February 23, 2012

Bazmi R. Husain
Chief Executive Officer
Managing Director

Amlan Datta Majumdar
Chief Financial Officer

Auditors' Report To The Members of ABB Limited

1. We have audited the attached balance sheet of ABB Limited ('the Company') as at December 31, 2011 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on December 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at December 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.
Firm Registration No.: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102

Bengaluru, India
February 23, 2012

Annexure referred to in paragraph 3 of our report of even date

Re: ABB limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, 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, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, 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, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount * (Rs in Thousands)	Period to which the amount relates	Forum where dispute is pending
Faridabad Development Act [Octroi]	Product Classification	30,400	1986-94	High Court
Sales Tax Act	Submission of Statutory Forms	900	1994-95	High Court
		174,579	2005-09	Sales Tax Appellate Tribunal
		635	2004-05	Joint Commissioner (Appeals)
		199,266	2003-09	Joint Commissioner of Commercial Taxes (Appeals)
		57,849	1998-09	Deputy Commissioner (Appeals)
		922	2008-09	Assistant Commissioner of Commercial Tax
		3,805	2007-08	Commercial Tax Officer
	Differential Tax Charged	34,155	2003-07	High Court
		301,524	1994-07	Sales Tax Appellate Tribunal
		15,544	2006-09	Joint Commissioner of Commercial Taxes (Appeals)
		1,531,251	2001-09	Deputy Commissioner (Appeals)
		757,235	2006-09	Additional Deputy Commissioner (Appeals)
		133,818	2010-11	Deputy Commissioner
	Works Contract Tax Charged	8,126	2002-03	High Court
		14,692	2005-07	Sales Tax Appellate Tribunal
		2,450	1995-96	Deputy Commissioner (Appeals)
		1,460	2007-08	Assessing Officer
Customs Act	Tariff Classification	18,113	2008-10	CESTAT
		857	2009-10	Commissioner of Customs- (Appeals)
		253	2009-10	Commissioner of Customs
		315	2006-11	Assistant Commissioner of Customs
	Export Obligations	17,935	2009-10	Assistant Commissioner of Customs
Service Tax	Tax on Foreign Payments	35,092	2002-06	CESTAT
		8,639	2006-11	Commissioner
		33,400	1998-09	Assistant Commissioner of Service Tax
	Tax on Technical Know-how	806	1997-01	Deputy Commissioner
Central Excise Act	Excise Duty	141	2008-09	CESTAT
		136,959	2002-05	Commissioner (LTU)
		317,655	2006-11	Commissioner (Excise)
		12,499	2006-11	Additional Commissioner of Excise
		10,703	2006-11	Assistant Commissioner of Excise
Income Tax Act	Income Tax	-	1997-98	Commissioner of Income Tax (Appeals)

* Net of Rs 1,252,765 thousands paid under protest.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report
- that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO.
Firm Registration No.: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102

Bengaluru, India
February 23, 2012

Balance Sheet

			(Rs in Thousands)	
As at December 31, 2011	Schedule		2011	2010
Sources of Funds				
Shareholders' Funds				
Share Capital	1	423,817		423,817
Reserves and Surplus	2	24,921,351		23,813,219
			25,345,168	24,237,036
Total			25,345,168	24,237,036
Application of Funds				
Fixed Assets				
Gross Block	3	14,619,417		9,978,438
Less: Accumulated Depreciation and Amortisation		2,935,371		2,317,596
Net Block		11,684,046		7,660,842
Capital Work in Progress including Capital Advances		839,151		576,965
			12,523,197	8,237,807
Investments				
	4		506,973	167,958
Deferred Tax Assets (net)				
	16(10)		223,966	45,966
Current Assets, Loans and Advances				
Inventories	5	9,255,495		6,978,526
Sundry Debtors	6	30,825,057		29,259,657
Cash and Bank Balances	7	2,643,673		5,871,250
Other Current Assets	8	3,209,552		3,611,195
Loans and Advances	9	3,666,608		3,541,588
		49,600,385		49,262,216
Less: Current Liabilities and Provisions				
Current Liabilities	10	35,178,836		31,630,477
Provisions	11	2,330,517		1,846,434
		37,509,353		33,476,911
Net Current Assets			12,091,032	15,785,305
Total			25,345,168	24,237,036

Notes to Accounts

16

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration Number: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102
Bengaluru, February 23, 2012

For and on behalf of the Board

Gary Steel	Chairman
Bazmi R. Husain	Managing Director
Nasser Munjee	Director
Amlan Datta Majumdar	Chief Financial Officer
B. Gururaj	Company Secretary

Bengaluru, February 23, 2012

Profit and Loss Account

				(Rs in Thousands)	
For the year ended December 31, 2011	Schedule			2011	2010
Income					
Sales and Services			76,935,582		66,093,153
Less : Excise Duty on Sales			3,232,891		3,222,035
Sales and Services (Net)	12			73,702,691	62,871,118
Other Income	13			948,784	855,236
				74,651,475	63,726,354
Expenditure					
Cost of Materials and Erection Services			54,785,236		48,020,949
Personnel Expenses	14		5,868,160		4,901,126
Other Expenses	15		10,218,457		9,111,441
Depreciation / Amortisation		795,429			518,600
Less: Transfer from Revaluation Reserve		-			1,992
			795,429		516,608
Interest Expenses - Others			306,802		173,927
				71,974,084	62,724,051
Profit Before Tax				2,677,391	1,002,303
Provision for Tax:					
Current Tax				1,048,000	415,000
Deferred Tax				(178,000)	(45,000)
Fringe Benefits Tax - Writeback of provisions in respect of previous years				(37,960)	-
				832,040	370,000
Profit After Tax				1,845,351	632,303
Add: Balance brought forward				546,910	607,178
Profit available for appropriation				2,392,261	1,239,481
Appropriations					
General Reserve				800,000	200,000
Proposed Dividend				635,725	423,817
Corporate Dividend Tax				103,131	70,391
Corporate Dividend Tax (Previous Years)				(1,637)	(1,637)
Balance carried forward				855,042	546,910
				2,392,261	1,239,481

Basic and Diluted Earnings per Equity Share (in Rs)	16(4)	8.71	2.98
(Face value Rs 2 per share)			

Notes to Accounts	16
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The Schedules referred to above form an integral part of the profit and loss account.

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration Number: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102
Bengaluru, February 23, 2012

For and on behalf of the Board

Gary Steel	Chairman
Bazmi R. Husain	Managing Director
Nasser Munjee	Director
Amlan Datta Majumdar	Chief Financial Officer
B. Gururaj	Company Secretary

Bengaluru, February 23, 2012

Cash Flow Statement

(Rs in Thousands)

For the year ended December 31, 2011	2011	2010
A. Cash Flow from Operating Activities		
Net Profit Before Tax	2,677,391	1,002,303
Adjustments for		
Depreciation / Amortisation	795,429	516,608
Unrealised Exchange Loss / (Gains) (net)	(41,688)	402,674
Loss / (Profit) on Sale of Fixed Assets (net)	35,275	41,862
Interest Income	(161,765)	(133,068)
Interest Expense	306,802	173,927
Operating Profit before Working Capital Changes	3,611,444	2,004,306
Movement in Working Capital		
(Increase) / Decrease in Sundry Debtors	(659,608)	(714,506)
(Increase) / Decrease in Inventories	(1,917,501)	315,535
(Increase) / Decrease in Other Current Assets	400,220	(407,472)
(Increase) / Decrease in Loans and Advances	(438,125)	(159,915)
Increase / (Decrease) in Current Liabilities and Provisions	826,929	1,750,986
Cash Generated from Operations	1,823,359	2,788,934
Direct Taxes Paid (net of refunds)	(642,705)	(582,148)
Net Cash Generated from Operating Activities	1,180,654	2,206,786
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,550,759)	(1,044,376)
Proceeds from sale of Fixed Assets	15,537	2,758
Acquisition of businesses (refer note 3 of schedule 16)	(1,696,500)	-
Stamp duty on assets towards business acquisition	(202,448)	-
Purchase of Investments in subsidiary	(339,848)	-
Sale/Maturity of Investments	833	834
Interest Received	163,188	132,372
Deposits (with maturity more than three months)	(1,569)	(83,374)
Net Cash used in Investing Activities	(3,611,566)	(991,786)
C. Cash Flow from Financing Activities		
Proceeds from short-term borrowings	57,670,900	850,000
Repayment of short-term borrowings	(57,670,900)	(850,000)
Interest Paid	(306,802)	(173,927)
Dividend (including Corporate Dividend Tax) paid	(492,571)	(494,602)
Net Cash used in Financing Activities	(799,373)	(668,529)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(3,230,285)	546,471
Cash and Cash Equivalents (Opening Balance)	5,775,612	5,229,141
Cash and Cash Equivalents (Closing Balance)	2,545,327	5,775,612
Components of Cash and Cash Equivalents as at Dec 31,	2011	2010
Cash and Bank Balances	2,643,673	5,871,250
Less: Balances on Margin Account	84,943	83,374
Less: Restricted Cash	13,403	12,264
Cash & Cash Equivalents in Cash Flow Statement	2,545,327	5,775,612

Notes:

- 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.
- 4) Movement in working capital includes adjustment for opening net working capital of **Rs 614,748 thousand**, acquired on acquisition of business from ABB Global Industries and Services Limited.

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration Number: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102
Bengaluru, February 23, 2012

For and on behalf of the Board

Gary Steel	Chairman
Bazmi R. Husain	Managing Director
Nasser Munjee	Director
Amlan Datta Majumdar	Chief Financial Officer
B. Gururaj	Company Secretary

Bengaluru, February 23, 2012

Schedules forming part of Accounts

		(Rs in Thousands)	
As at December 31, 2011		2011	2010
Schedule 1 - Share Capital			
Authorised			
212,500,000	Equity Shares of Rs 2 each	425,000	425,000
(212,500,000)			
750,000	11% Redeemable 10 year, Cumulative Preference Shares of Rs 100 each	75,000	75,000
(750,000)		500,000	500,000
Issued, Subscribed and Paid Up			
211,908,375	Equity Shares of Rs 2 each	423,817	423,817
(211,908,375)			

Notes:

Share Capital includes:

- 46,185,525 equity shares of Rs 2 each allotted as fully paid up at par, pursuant to contracts for consideration other than cash.
- 1,000,000 equity shares of Rs 2 each issued to the holders of 40,000 - 8.57% cumulative preference shares of Rs 100 each on cancellation of the preference shares in terms of a Scheme of Compromise between the Company and its preference / equity shareholders in 1988.
- 42,219,465 and 51,772,945 equity shares of Rs 2 each issued as fully paid up bonus shares by capitalisation of the General Reserve Account and Securities Premium Account respectively.
- 146,390,952 equity shares of Rs 2 each are held by ABB Asea Brown Boveri Limited, Zurich, Switzerland, the holding company and 12,540,330 equity shares of Rs 2 each are held by ABB Norden Holdings AB, Sweden, a subsidiary of the holding company.

		(Rs in Thousands)	
As at December 31, 2011		2011	2010
Schedule 2 - Reserves and Surplus			
Capital Reserve Account		10,971	10,971
Capital Redemption Reserve Account		75,000	75,000
Revaluation Reserve Account			
As per last Balance Sheet	-		140,028
Transferred to Profit and Loss Account	-		(1,992)
Withdrawn from Fixed Assets on Restoration to Historical Cost	-		(138,036)
		-	-
Securities Premium Account		593,990	593,990
General Reserve Account			
As per last Balance Sheet	22,586,348		22,386,348
Transferred from Profit and Loss Account	800,000		200,000
		23,386,348	22,586,348
Profit and Loss Account			
Balance carried forward		855,042	546,910
		24,921,351	23,813,219

As at December 31, 2011

Schedule 3 - Fixed Assets

(Rs in Thousands)

Description	Gross Block					Depreciation / Amortisation				Net Block	
	As at January 1, 2011	Additions on acquisition	Other additions	Deductions	As at December 31, 2011	As at January 1, 2011	For the year	Deductions	As at December 31, 2011	As at December 31, 2011	As at December 31, 2010
A. Tangible Assets											
1. Own Assets											
Freehold Land	259,038	406,744	7,098	-	672,880	-	-	-	-	672,880	259,038
Leasehold Land	139,017	-	95,260	-	234,277	6,289	2,417	-	8,706	225,571	132,728
Leasehold Improvements	203,517	-	3,016	294	206,239	58,576	16,934	90	75,420	130,819	144,941
Factory Buildings	2,214,905	348,760	191,313	186	2,754,792	266,140	84,738	13	350,865	2,403,927	1,948,765
Other Buildings	514,303	26,191	54,804	115	595,183	44,148	12,852	115	56,885	538,298	470,155
Residential Quarters	7,570	-	-	7	7,563	2,878	123	1	3,000	4,563	4,692
Plant and Machinery	5,688,512	1,251,546	1,206,305	79,663	8,066,700	1,600,948	515,250	30,557	2,085,641	5,981,059	4,087,564
Furniture and Fixtures	414,442	26,531	26,697	1,550	466,120	106,042	26,810	698	132,154	333,966	308,400
Vehicles	19,574	521	7,529	6,322	21,302	12,569	3,242	5,851	9,960	11,342	7,005
	9,460,878	2,060,293	1,592,022	88,137	13,025,056	2,097,590	662,366	37,325	2,722,631	10,302,425	7,363,288
2. Leased Assets											
Plant and Machinery	83,141	-	-	83,141	-	80,828	2,313	83,141	-	-	2,313
	83,141	-	-	83,141	-	80,828	2,313	83,141	-	-	2,313
Total Tangible Assets	9,544,019	2,060,293	1,592,022	171,278	13,025,056	2,178,418	664,679	120,466	2,722,631	10,302,425	7,365,601
B. Intangible Assets											
Technical Know-how Fees	288,222	624,356	119,200	40,951	990,827	83,977	115,274	40,951	158,300	832,527	204,245
Capitalised Software	87,794	69	9,302	16,237	80,928	52,257	15,476	16,237	51,496	29,432	35,537
Goodwill	58,403	464,203	-	-	522,606	2,944	-	-	2,944	519,662	55,459
Total Intangible Assets	434,419	1,088,628	128,502	57,188	1,594,361	139,178	130,750	57,188	212,740	1,381,621	295,241
Total Assets	9,978,438	3,148,921	1,720,524	228,466	14,619,417	2,317,596	795,429	177,654	2,935,371	11,684,046	7,660,842
Previous Year	8,792,636	-	1,630,802	445,000	9,978,438	2,061,340	518,600	262,344	2,317,596		
Capital Work in Progress including Capital Advances										839,151	576,965
Grand Total										12,523,197	8,237,807

Notes :

1. Residential Quarters include cost of shares in Lotus Court Private Limited **Rs 56 thousand** (Previous Year - Rs 56 thousand).
2. Certain land and building on acquisition of businesses amounting to Rs 361,708 thousand during the year is in the process of being registered in the name of the Company.

(Rs in Thousands)

As at December 31, 2011	2011	2010
Schedule 4 - Investments		
Long Term (At Cost) :		
Trade :		
Subsidiary Companies :		
Unquoted :		
10,000 (Previous Year - Nil) Equity shares of Rs 10 each fully paid up in Baldor Electric India Private Limited	339,848	-
Non Trade :		
Government Securities		
Quoted :		
1,500,000 (Previous Year - 1,500,000) 6.25%, 2018 Government of India Bonds of Rs 100 each	159,600	159,600
Others :		
Unquoted :		
10 (Previous Year - 10) 5.95% 15 Year Non - Cumulative Bonds of Karnataka Water & Sanitation Pooled Fund Trust of Rs 750,000 each (Previous Year Rs 833,333 each)	7,500	8,333
1,000 (Previous Year - 1,000) Equity Shares of Rs 25 each fully paid up in Co-operative Bank of Baroda	25	25
	7,525	8,358
	506,973	167,958

Notes :

Quoted Investments aggregate	159,600	159,600
Market value - Rs 134,085 thousand; (Previous Year - Rs 137,025 thousand)		
Unquoted Investments aggregate	347,373	8,358

(Rs in Thousands)

As at December 31, 2011	2011	2010
Schedule 5 - Inventories		
Stores and Spares	23,426	5,293
Raw Materials and Components	4,705,625	3,742,705
Goods in Transit - Raw Materials and Components	664,375	213,747
Finished Goods	1,124,740	737,789
Work-in-Progress	2,737,329	2,278,992
	9,255,495	6,978,526
Schedule 6 - Sundry Debtors (refer note 6 of schedule 16)		
Unsecured :		
Debts outstanding for a period exceeding six months		
- Considered Good	13,564,927	13,308,301
- Considered Doubtful	2,986,708	2,069,909
	16,551,635	15,378,210
Other Debts - Considered Good	17,260,130	15,951,356
	33,811,765	31,329,566
Less: Provision for Doubtful Debts	2,986,708	2,069,909
	30,825,057	29,259,657

(Rs in Thousands)

As at December 31, 2011		2011	2010
Schedule 7 - Cash and Bank Balances			
Cash and Cheques on hand		722,889	927,090
Balances with Scheduled Banks			
- On Current Account	1,220,080		1,875,474
- On Deposit Account	600,000		2,967,878
- On Margin Account	84,943		83,374
		1,905,023	4,926,726
With Non Scheduled Banks - On Current Account		15,761	17,434
		2,643,673	5,871,250

Current Accounts with Non Scheduled Banks include

As at December 31, 2011	As at December 31, 2011	As at December 31, 2010	Maximum amount outstanding at any time during the year	Maximum amount outstanding at any time during the previous year
a) Hongkong & Shanghai Banking Corporation Ltd., Sri Lanka	5,709	4,793	10,305	5,917
b) Hongkong & Shanghai Banking Corporation Ltd., Bangladesh	10,052	12,641	24, 889	18,654

(Rs in Thousands)

As at December 31, 2011		2011	2010
Schedule 8 - Other Current Assets			
Contract Revenue in Excess of Billing and Unbilled Revenue		3,203,925	3,604,145
Interest Accrued on Investments and Fixed Deposits		5,627	7,050
		3,209,552	3,611,195
Schedule 9 - Loans and Advances (refer note 6 of schedule 16)			
Unsecured : (Considered Good unless otherwise stated)			
Loans to employees		1,308	1,184
Advances recoverable in cash or in kind or for value to be received:			
- Considered Good	2,315,250		2,242,999
- Considered Doubtful	28,065		28,156
	2,343,315		2,271,155
Less: Provision for Doubtful Advances	28,065		28,156
		2,315,250	2,242,999
Income Tax (net of provision)		527,216	932,511
Balances with Customs, Port Trusts and Excise Authorities		822,834	364,894
		3,666,608	3,541,588

(Rs in Thousands)

As at December 31, 2011		2011	2010
Schedule 10 - Current Liabilities			
Acceptances		3,812,181	5,058,768
Sundry Creditors			
- Dues to Subsidiary Company	3,651		-
- Dues to Micro and Small Enterprises (refer note 26 of schedule 16)	1,153,489		778,350
- Others	17,491,447		15,623,406
		18,648,587	16,401,756
Consideration payable for the businesses acquired		2,303,500	-
Advance Payment from Customers		7,350,550	7,279,515
Billing in Excess of Contract Revenue		3,050,615	2,878,174
Investor Education and Protection Fund shall be credited for unclaimed dividends amount when due		13,403	12,264
		35,178,836	31,630,477
Schedule 11 - Provisions			
Proposed Dividend		635,725	423,817
Corporate Dividend Tax		103,131	70,391
Fringe Benefits Tax (net of advance tax)		-	37,960
Provident Fund		47,122	41,740
Long term employee benefits		149,825	134,838
Others		1,394,714	1,137,688
(refer note 23 of schedule 16)			
		2,330,517	1,846,434

For the year ended December 31, 2011

Schedule 12 - Capacities, Production, Stock and Turnover (refer note 11 of schedule 16)

(Figures in brackets are in respect of previous year)

Class of goods	Annual Capacities		Opening Stock of Finished Goods		Production of Finished Goods	Closing Stock of Finished Goods		Turnover of Finished Goods	
	Quant. Denom.	Installed	Quantity	Rupees in Thousands	Quantity	Quantity	Rupees in Thousands	Quantity	Rupees in Thousands
Motors and Other Machines	HP	5,439,000 (4,389,000)	177,876 (106,410)	206,211 (131,887)	4,842,010 (4,021,646)	216,634 (177,876)	304,636 (206,211)	4,803,252 (3,950,180)	6,517,268 (4,944,053)
Switchgear of all types	Nos.	17,354,041 (17,229,216)	219,911 (61,864)	327,439 (298,610)	11,494,485 (10,528,361)	1,152,212 (219,911)	465,347 (327,439)	10,557,502 (10,370,314)	16,824,099 (13,821,412)
PLCC Equipment	Nos.	3,500 (3,500)	- (-)	- (-)	3,231 (2,696)	6 (-)	1,557 (-)	3,225 (2,696)	497,042 (478,973)
Multiplexures	Nos.	100 (100)	- (-)	- (-)	45 (25)	- (-)	- (-)	45 (25)	82,576 (11,167)
Telemetry Equipment	Nos.	150 (150)	- (-)	- (-)	- (9)	- (-)	- (-)	- (9)	- (9,018)
Turbochargers	Nos.	650 (650)	- (6)	1,393 (13,290)	427 (504)	- (-)	- (1,393)	427 (510)	855,597 (1,007,151)
Transformers	MVA	20,410 (20,410)	4 (316)	7,766 (83,303)	17,450 (12,356)	416 (4)	177,671 (7,766)	17,038 (12,668)	6,805,139 (6,731,300)
Paper and Paper Board	MT	12,000 (-)	- (-)	- (-)	6,929 (-)	107 (-)	5,322 (-)	5,583 (-)	951,442 (-)
Electronic Control and Supply Units for Variable Speed Drives and other applications	Nos.	102,958 (102,958)	190 (58)	22,948 (29,734)	67,117 (45,147)	180 (190)	28,252 (22,948)	67,127 (45,015)	7,383,105 (7,127,708)
Mini Computer / Microprocessor based Systems	Value Rs in Thousands	4,701,000 (4,701,000)	- (-)	1,497 (35,969)	2,539,371 (2,016,170)	- (-)	2,622 (1,497)	- (-)	2,538,246 (2,050,642)
Power Capacitors of all types	MVAR	7,280 (7,280)	88 (123)	9,321 (19,321)	5,793 (6,210)	109 (88)	11,212 (9,321)	5,772 (6,245)	790,188 (687,338)
Robotics	Nos.	83 (74)	- (-)	106 (-)	66 (56)	2 (-)	2,855 (106)	64 (56)	367,620 (330,179)
Gas Analysers and Systems	Nos.	435 (400)	2 (-)	1,605 (96)	413 (299)	24 (2)	6,174 (1,605)	391 (297)	422,714 (483,926)
Process Control Instruments	Nos.	45,000 (45,000)	165 (65)	6,989 (3,156)	34,928 (29,088)	438 (165)	19,923 (6,989)	34,655 (28,988)	953,615 (881,304)
Others			- (-)	8,799 (-)	- (-)	- (-)	2,528 (8,799)	- (-)	1,122,766 (936,354)
Project Items			- (-)	143,715 (83,088)	- (-)	- (-)	96,641 (143,715)	- (-)	23,085,542 (19,911,600)
Erection, Commissioning and Engineering Services			- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4,505,732 (3,458,993)
				737,789 (698,454)			1,124,740 (737,789)		73,702,691 (62,871,118)

Note: The Company's products are exempt from licensing requirement under the industrial policy by virtue of notification No. 477 (E) of 25.07.91.

(Rs in Thousands)

For the year ended December 31, 2011		2011	2010
Schedule 13 - Other Income			
Interest			
Long Term Investment - Non Trade	9,846		9,871
(Tax deducted at source Rs Nil ; Previous Year Rs Nil)			
Deposit with Banks	59,080		90,583
(Tax deducted at source Rs 5,944 thousand ; Previous Year Rs 8,979 thousand)			
Others	92,839		32,614
		161,765	133,068
Scrap Sales		238,905	246,749
Commission Income		37,784	41,705
Miscellaneous Income		510,330	433,714
		948,784	855,236
Schedule 14 - Personnel Expenses			
Salaries, Wages and Bonus		4,925,452	4,195,108
Gratuity		96,361	87,863
Provident Fund		169,776	120,297
Contribution to Superannuation and Other Funds		242,485	192,261
Workmen and Staff Welfare Expenses		240,566	191,213
Other Personnel Expenses		193,520	114,384
		5,868,160	4,901,126
Schedule 15 - Other Expenses			
Stores and Spares		392,409	295,609
Royalty and Technology Fees		1,683,675	1,157,042
Freight and Forwarding (net of recovery)		685,508	641,992
Postage and Telephone		102,387	90,822
Commission (other than sole selling agent)		57,354	96,028
Discount		24,062	25,940
Power and Fuel		423,513	304,680
Travelling and Conveyance		1,099,456	872,658
Insurance		123,387	107,051
Rates and Taxes		297,829	211,900
Rent		295,558	298,413
Repairs : Buildings		40,032	24,932
Plant and Machinery		280,966	157,429
Others		44,246	31,659
Provision for Doubtful Debts and Advances		904,171	430,682
Bad Debts / Advances Written Off		92,947	371,282
Loss on Sale of Fixed Assets (net)		35,275	41,862
Printing and Stationery		60,102	60,179
Bank Charges		157,054	175,932
Legal and Professional		221,463	183,890
Trade Mark Fees		578,001	474,760
Information Technology Expenses		895,426	668,242
Exchange Rate Difference - (Gain) / Loss (net) (refer note 22 (a) of schedule 16)		(252,777)	946,157
Miscellaneous		1,976,413	1,442,300
		10,218,457	9,111,441

Notes to the Accounts

Schedule 16 - Notes to the Accounts

1. Nature of Operations

ABB Limited ('the Company') has served utility and industry customers for over 60 years 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 have been prepared to comply in all material respects with the notified accounting standards by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India. The accounting policies have been consistently applied by the Company, except for the change in accounting policy discussed more fully below, and are consistent with those used in the previous year.

2.2 Change in Accounting Policy

The Company has revised its accounting policy for goodwill arising on acquisition of businesses effective January 1, 2011 from amortisation to testing for impairment. Management believes this change in accounting policy aligns with leading international practices and reflects enduring benefits to be derived from goodwill arising on acquisitions. Consequent to this change in accounting policy, the profit for the year is higher by **Rs 81,629 thousand**.

2.3 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 amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.4 Fixed Assets (Tangible and Intangible)

Fixed assets are stated at the cost of acquisition, less accumulated depreciation / amortisation and 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 capitalised 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 capitalised. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work in progress.

Capitalised 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.

Assets acquired under finance lease are capitalised at the lower of their fair value and the present value of the minimum lease payments.

2.5 Depreciation / Amortisation

Depreciation on assets (except those described below) is provided on the straight-line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, which management considers as being representative of the useful economic lives of such assets. Depreciation is provided from the date of capitalisation till the date of sale of assets.

The following assets are depreciated / amortised on the straight line method over a period of their estimated useful lives:

- Leasehold land and leasehold improvements over the period of the lease.
- Technical know-how fees over a period of six years.
- Capitalised software costs over a period of five years.

Goodwill on acquisition is not amortised but tested for impairment.

Assets individually costing Rs 5,000 or less are depreciated fully in the year of purchase.

Assets under finance lease are depreciated over the lower of the lease term or the useful life of the asset unless there is reasonable certainty that the Company will obtain ownership, wherein such assets are depreciated on the straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

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 recognised 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. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

2.7 Investments

Investments that are readily realisable and intended to be held for not more than a year 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. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

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 and components - 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 based on annual average cost of production which includes direct materials, direct labour and manufacturing overheads. Excise duty is included in the value of finished goods inventory.

Provision for obsolescence is made wherever necessary.

2.9 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 profit and loss account. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

Contributions to the recognised Provident Fund / Gratuity Fund and provision for other long term employee benefits - leave, defined benefit schemes, 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 profit and loss account during the year.

Actuarial gains and losses are recognised immediately in the profit and loss account.

2.10 Revenue Recognition

- Sales of products and services are recognised 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 recognised on achievement of contractual milestone. Revenue recognised 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 recognised 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 "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 recognised as per contracts / receipt of credit note.
- Dividend income is recognised when the right to receive dividend is established.
- Interest income is recognised on the time proportion method.

2.11 Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources 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 recognised nor disclosed in the financial statements.

2.12 Research and Development

All revenue expenditure pertaining to research are charged to the profit and loss account in the year in which they are incurred and development expenditure of capital nature is capitalised as fixed assets, and depreciated as per the Company's policy.

2.13 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 recognised in the profit and loss account 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 recognised in the profit and loss account for the year.

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 in the profit and loss account for the year in which it occurs. The premium or discount on such contracts is recognised in the profit and loss account over the period of the contract.

Gain or loss on fair valuation of forward exchange contracts for hedging highly forecasted transactions and embedded derivative contracts are recognised in the profit and loss account for the year in which it occurs.

2.14 Taxation

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 transactions with associated enterprises. Provision for current income tax is made on the basis of the results of the year although the actual liability will be computed and paid on the basis of the results for the year ending March 31, 2012.

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 recognised to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets are reviewed at each balance sheet date for its realisability.

2.15 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 recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

3. Acquisitions

- a) The Company has acquired with effect from April 1, 2011 three businesses; (a) Transformer Insulation - Boards and Components, (b) Low Voltage Breakers and Switches and (c) Vacuum Interrupters from M/s ABB Global Industries and Services Limited, for an aggregate consideration of **Rs 4,000,000 thousand** on a slump sale basis. Net Assets acquired is **Rs 3,535,797 thousand** and goodwill capitalised on acquisition is **Rs 464,203 thousand**.
- b) During the year the Company has acquired 100% equity shares of Baldor Electric India Private Limited, Pune (Baldor) from Baldor Holdings Inc., USA and Baldor Electric Switzerland AG, Switzerland, for a total consideration of **Rs 339,000 thousand**. Baldor became a wholly owned subsidiary of the Company effective December 1, 2011. The Company is in the process of acquiring the preference shares in Baldor at consideration of Rs 18,458 thousand from Baldor Holdings Inc., USA.

For the year ended December 31, 2011		2011	2010
4. Earnings Per Share			
a)	Weighted average number of Equity Shares of Rs 2 each outstanding during the year	211,908,375	211,908,375
b)	Net profit after tax attributable to equity shareholders (Rs in thousand)	1,845,351	632,303
c)	Basic and Diluted Earnings Per Share (in Rs)	8.71	2.98

5. Segment Reporting

A) Primary Segment Reporting (by Business Segments)

i) Composition of Business Segments

The Company's business segments are organised around products and system solutions provided to its customers, which include utilities, industries, channel partners and original equipment manufacturers.

Power Systems Segment (PS) offers turnkey systems and services for transmission and distributions for power grid and power plants. The segment offers the instrumentation, control and the entire balance of power plants, which improve performance and energy efficiency through flexible alternating current transmission systems, high voltage direct current systems, network management systems and utility communications.

Power Products Segment (PP) manufactures, engineers, supplies key components to transmit and distribute electricity, improving power supply and energy efficiency. The segment produces transformers, high and medium voltage switchgears, circuit breakers, capacitors, distribution relays, insulation paper and paper board components etc.

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.

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.

Low Voltage Products Segment (LP) manufactures products and systems that provide protection, control and measurement for electrical installations, enclosures, switchboards, electronics and electromechanical devices for industrial machines, plants and related service.

- 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 optimisation objective for the Company.

- v) Figures in brackets are in respect of the previous year.

vi) Segment Revenues, Results and Other Information

(Rs in Thousands)

	Power Systems	Power Products	Process Automation	Discrete Automation and Motion	Low Voltage Products	Total
External Sales (net of Excise Duty)	23,258,695 (17,926,813)	16,400,606 (14,454,747)	12,779,026 (11,596,207)	16,271,236 (14,679,710)	4,746,900 (4,030,350)	73,456,463 (62,687,827)
Inter Segment Sales	280,000 (207,099)	3,180,721 (3,398,229)	350,650 (238,693)	1,646,554 (1,193,500)	597,267 (406,952)	6,055,192 (5,444,473)
Other operating Income	85,088 (133,107)	426,482 (302,430)	89,330 (51,805)	75,385 (55,516)	54,652 (48,260)	730,937 (591,118)
Segment Revenues	23,623,783 (18,267,019)	20,007,809 (18,155,406)	13,219,006 (11,886,705)	17,993,175 (15,928,726)	5,398,819 (4,485,562)	80,242,592 (68,723,418)
Segment Results	-8,314 (-1,105,042)	998,272 (818,739)	376,774 (816,358)	2,066,431 (1,320,871)	341,381 (18,096)	3,774,544 (1,869,022)
Segment Assets	17,132,498 (15,478,582)	15,016,209 (12,201,526)	10,230,213 (8,812,426)	8,236,672 (8,174,612)	3,548,947 (2,867,423)	54,164,539 (47,534,569)
Segment Liabilities	12,715,486 (11,616,633)	8,223,604 (6,352,555)	6,626,650 (5,853,953)	6,153,011 (6,169,655)	1,534,835 (1,610,327)	35,253,586 (31,603,123)
Capital Expenditure	66,481 (25,252)	3,155,737 (327,320)	54,639 (61,531)	114,578 (326,065)	854,434 (111,894)	4,245,869 (852,062)
Depreciation / Amortisation	13,679 (11,956)	379,735 (194,494)	28,448 (29,121)	149,434 (97,862)	92,043 (51,417)	663,339 (384,850)

vii) Reconciliation of Reportable Segments with the Financial Statements

(Rs in Thousands)

	Revenues	Results / Net Profit	Capital Expenditure	Assets	Liabilities
Total Segments	80,242,592 (68,723,418)	3,774,544 (1,869,022)	4,245,869 (852,062)	54,164,539 (47,534,569)	35,253,586 (31,603,123)
Corporate - Unallocated (net)	464,075 (447,409)	-790,351 (-692,792)	885,762 (192,314)	8,689,982 (10,179,378)	2,255,767 (1,873,788)
Inter Segment Sales	-6,055,192 (-5,444,473)	- (-)	- (-)	- (-)	- (-)
Interest Expense	- (-)	-306,802 (-173,927)	- (-)	- (-)	- (-)
Provision for tax	- (-)	-832,040 (-370,000)	- (-)	- (-)	- (-)
As per Financial Statements	74,651,475 (63,726,354)	1,845,351 (632,303)	5,131,631 (1,044,376)	62,854,521 (57,713,947)	37,509,353 (33,476,911)

B) Secondary Segment Reporting (by Geographical Segments)

Secondary segment disclosures are reported on the basis of geographical location of customers and assets.

(Rs in Thousands)

	India	Rest of World	Total
Revenues	65,516,109 (58,174,650)	9,135,366 (5,104,295)	74,651,475 (63,726,354)
Total Assets	59,127,507 (55,495,805)	3,727,014 (2,218,142)	62,854,521 (57,713,947)
Capital Expenditure	5,131,217 (1,041,819)	414 (2,557)	5,131,631 (1,044,376)

(Rs in Thousands)		
As at December 31, 2011	2011	2010
6. Amounts due from companies under the same management as defined in sub-section (1-B) of Section 370 of the Companies Act, 1956, are as under:		
a) Sundry Debtors		
- ABB Global Industries and Services Limited, Bengaluru, India	58,323	129,380
b) Loans and Advances		
- ABB Global Industries and Services Limited, Bengaluru, India	8,102	1,739
(Maximum amount due during the year Rs 8,178 thousand , Previous Year Rs 39,788 thousand)		
7. Contingent Liabilities		
i) Excise duty / Service tax and Sales tax liabilities	4,202,610	2,719,044
ii) Custom duty liabilities	38,308	23,007
iii) Claims against the Company not acknowledged as debts	88,457	214,413
iv) Income tax matters in dispute	192,207	110,936

The Company does not expect any reimbursements in respect of the above contingent liabilities and it is not practicable to estimate the timings of cash outflows, if any, in respect of matters above pending resolution of the arbitration / appellate proceedings.

(Rs in Thousands)		
As at December 31, 2011	2011	2010
8. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	862,030	627,364
(Note 8 of Schedule 16 of Notes to Annual Standalone Financial Statements)		

- 9.** The Company has taken several premises and equipments under cancelable and non-cancelable 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. The Company has non-cancelable operating lease obligations of **Rs 42,560 thousand** (Previous year Rs 48,448 thousand) payable within one year and **Rs 83,119 thousand** (Previous Year Rs 104,802 thousand) payable later than one year but not later than five years and **Rs 34,447 thousand** (Previous Year Rs 55,325 thousand) payable later than five years as on December 31, 2011. Rental expenses towards cancelable and non-cancelable operating lease charged to the profit and loss account amounts of **Rs 295,558 thousand** (Previous Year Rs 298,413 thousand).

There are no assets given on operating leases.

Some of the lease agreements have escalation clause ranging from 5% to 15%. There are no exceptional / restrictive covenants in the lease agreements.

10. Deferred Tax

The break up of net deferred tax assets / liability as at December 31, 2011 is as follows: (Figures in brackets are in respect of the previous year):

(Rs in Thousands)		
As at December 31, 2011	Deferred Tax Asset	Deferred Tax Liability
Timing differences on account of:		
Difference between book depreciation and depreciation under the Income-tax Act, 1961		832,987 (718,967)
Expenditure under Section 43B of the Income-tax Act, 1961	37,976 (27,658)	
Provisions for doubtful debts and advances	978,143 (696,925)	
Others	40,834 (40,350)	
	1,056,953 (764,933)	832,987 (718,967)
Net Deferred Tax Assets	223,966 (45,966)	

11. Capacities, Production, Stock and Turnover (Refer Schedule 12)

11.1 Capacities

- a) Installed capacities are as certified by the Management, but not verified by the auditors, being a technical matter.

11.2 Production

- a) Production of finished goods is inclusive of production for captive use.
- b) "Others" represent internally manufactured components, sold during the year. The Company considers these 'meant for sale' when actually sold. Since the quantitative denominations of these items are dissimilar, it is impracticable to disclose the quantitative information in respect of production and turnover.

11.3 Project items

- a) These comprise sale of equipment and miscellaneous items meant for execution of projects and trading items. Since the quantitative denominations of these items are dissimilar, it is impracticable to disclose the quantitative information in respect thereof.
- b) Purchases of these items during the year aggregated to **Rs 22,298,357 thousand** (Previous Year Rs 20,958,914 thousand) Individual items of purchases are not more than 10% of the total purchases.

11.4 Work-in-Progress

- a) The Work-in-Progress at the beginning of the year amounted to **Rs 2,278,992 thousand** (Previous Year Rs 2,219,033 thousand).

(Rs in Thousands)		
For the year ended December 31, 2011	2011	2010
12. Earnings in Foreign Exchange		
(on accrual basis)		
i) Export of goods on FOB Basis	8,237,420	4,640,321
ii) Goods supplied / services rendered locally against foreign exchange remittances	2,034,128	661,455
iii) Erection & Other Services	532,219	209,769
iv) Other Income :		
a) Commission	36,322	42,602
b) Service Charges and Others	329,405	211,603
	11,169,494	5,765,750

13. Consumption of Raw Materials, Components, Stores and Spares

(Rs in Thousands)				
For the year ended December 31, 2011	2011		2010	
	Quantity (MT)	Amount	Quantity (MT)	Amount
Ferrous Metals	1,946	96,431	1,607	77,218
Non-Ferrous Metals	1,537	822,144	1,504	624,983
Components	*	25,120,972	*	23,033,633
Others		1,980,426		2,134,875
		28,019,973		25,870,709
Stores and spares	*	392,409	*	295,609
		28,412,382		26,166,318
	%		%	
Imported	31.98	9,087,002	32.77	7,430,259
Indigenously acquired	68.02	19,325,380	67.23	18,736,059
	100.00	28,412,382	100.00	26,166,318

* Since the quantity denominations and the type of components, stores and spares are dissimilar in nature and individually less than 10% in value of the total, it is impracticable to disclose the quantitative information in respect thereof.

(Rs in Thousands)

For the year ended December 31, 2011		2011	2010
14. Value of Imports on CIF basis			
(on accrual basis)			
Raw Materials and Components including Spares		13,820,488	10,321,908
Finished Goods		1,942,305	2,139,614
Capital Goods including Technical Know-how		514,068	208,838
Project items		5,824,079	5,541,720
		22,100,940	18,212,080
15. Expenditure in Foreign Currency			
(on accrual basis)			
Royalty and Technology Fees		1,605,760	1,095,345
Trade Mark Fees		578,001	474,760
Professional / Project Consultancy		73,374	47,963
Travelling & Conveyance		108,378	86,340
Information Technology Expenses		278,799	212,976
Others		827,089	890,204
		3,471,401	2,807,588
16. 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		158,931,987	110,420,990
iii) Year ended to which the dividend related December 31,		2010	2009
iv) Amount remitted		317,864	220,841
17. Managerial Remuneration			
a) i) Directors' Fees		370	355
ii) Other remuneration			
Salary	10,600		8,900
Bonus to Managing Director	5,300		-
Commission to Independent Directors	1,600		1,600
Contribution to Provident and other funds	2,862		2,403
Other perquisites	4,280		4,883
		24,642	17,786
		25,012	18,141
b) Computation of Net Profit as per Section 349 of the Companies Act, 1956			
Profit Before Tax as per profit and loss account		2,677,391	1,002,303
Add:			
Depreciation as per Profit and Loss account	795,429		516,608
Loss on sale of fixed assets	41,264		42,425
Provision for doubtful debts and advances	904,171		430,682
		1,740,864	989,715
		4,418,255	1,992,018
Less:			
Profit on sale of fixed assets	5,989		563
Depreciation as per Section 350 of the Companies Act, 1956	795,429		516,608
		801,418	517,171
Net Profit as per Section 349 of the Companies Act, 1956		3,616,837	1,474,847
Add: Managerial remuneration		25,012	18,141
Computation of Net Profit as per Section 198 of the Companies Act, 1956		3,641,849	1,492,988

(Rs in Thousands)

For the year ended December 31, 2011	2011	2010
Maximum permissible remuneration to Managing Director under Section 198 of the Companies Act, 1956 @ 5% of the profits computed above	182,092	74,649
Maximum permissible remuneration to Independent Directors under Section 198 of the Companies Act, 1956 @ 1% of the profits computed above	36,418	14,930
Bonus to Managing Director	5,300	-
Commission to Independent Directors	1,600	1,600
	6,900	1,600

Remuneration to Directors 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. Bonus to Managing Director is subject to approval of the Board of Directors. For the year ended December 31, 2010, Rs 1,200 thousand was paid as against a provision of Rs 1,600 thousand as commission to Independent Directors based on approval of Board of Directors.

(Rs in Thousands)

For the year ended December 31, 2011	2011	2010
18. Auditors' Remuneration		
(for audit services excluding service tax)		
i) Audit Fee including Consolidation	10,200	6,000
ii) Tax Audit Fee	3,100	3,100
iii) Other Audit Services		
- Quarterly Limited Review Fee	3,900	3,900
- SOX and Group Reporting Fees	5,000	7,000
- Certifications	600	-
iv) Other Capacity	600	1,200
v) Reimbursement of out of pocket expenses	731	500
	24,131	21,700

19. Research and development expenditure of **Rs 4,008 thousand** (Previous Year Rs 110,161 thousand) on revenue account has been incurred during the year.

(Rs in Thousands)

For the year ended December 31, 2011	2011	2010
20. Construction Contracts		
Contract revenue recognised as revenue for the year ended December 31, 2011	31,043,217	25,685,669
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to December 31, 2011 for all the contracts in progress	112,176,510	88,662,631
The amount of customer advances outstanding for contracts in progress as at December 31, 2011	4,538,432	4,550,831
The amount of retentions due from customers for contracts in progress as at December 31, 2011	10,449,252	8,393,501

21. 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:

Subsidiary :

Baldor Electric India Pvt Ltd., Pune, India (with effect from December 1, 2011)

Fellow subsidiaries:

ABB (Asea Brown Boveri), S.A., Paco de Arcos, Portugal
ABB (China) Ltd., Beijing, China
ABB (Hong Kong) Ltd., Hong Kong, China
ABB (Private) Ltd., Harare, Zimbabwe
ABB (Pty) Ltd., Gaborone, Botswana
ABB A/S, Skovlunde, Denmark
ABB AB, Västerås, Sweden

ABB Ltd., Seoul, South Korea
ABB Ltd., Taipei, Taiwan, Province Of China
ABB Ltd., Zagreb, Croatia
ABB Ltda., Osasco, Brazil
ABB LV Installation Materials Co. Ltd., Beijing, China
ABB Malaysia Sdn Bhd., Subang Jaya, Malaysia
ABB Management Services Ltd., Zurich, Switzerland

ABB AG, Mannheim, Germany
 ABB AG, Vienna, Austria
 ABB AS, Billingstad, Norway
 ABB AS, Jüri, Estonia
 ABB Australia Pty Limited, Sydney, Australia
 ABB Automation EOOD, Rakovski, Bulgaria
 ABB Automation GmbH, Mannheim, Germany
 ABB Automation L.L.C., Abu Dhabi, United Arab Emirates
 ABB Automation Products GmbH, Ladenburg, Germany
 ABB Bailey Beijing Engineering Co. Ltd., Beijing, China
 ABB Bailey Japan Limited, Shizuoka-Ken, Japan
 ABB Beijing Drive Systems Co. Ltd., Beijing, China
 ABB BV, Rotterdam, Netherlands
 ABB Capital, B.V., Amsterdam, Netherlands
 ABB Chongqing Transformer Company Ltd., Chongqing, China
 ABB CL Logistic S.A., Montevideo, Uruguay
 ABB Contracting Company Ltd., Riyadh, Saudi Arabia
 ABB d.o.o., Belgrade, Serbia
 ABB D.o.o., Ljubljana, Slovenia
 ABB Ecuador S.A., Quito, Ecuador
 ABB Electrical Industries (ABB ARAB) S.A.E., Cairo, Egypt
 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 ESAP Limited, St. Peter's Port, Guernsey
 ABB France, Les Ulis, France
 ABB FZ-LLC, Dubai, United Arab Emirates
 ABB Global Industries and Services Limited, Bengaluru, India
 ABB Global Marketing FZ LLC, Dubai, United Arab Emirates
 ABB Group Accounting Services B.V., Rotterdam, Netherlands
 ABB High Voltage Switchgear Co. Ltd., Beijing, China
 ABB Holdings Sdn. Bhd., Subang Jaya, Malaysia
 ABB Import & Export Services Ltd., Oranjestad/Aruba (NA), Aruba (NL)
 ABB Inc., Cary, NC, United States
 ABB Inc., St. 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., Zurich, Switzerland
 ABB Intra AG, Zurich, Switzerland
 ABB Jiangjin Turbo Systems Company Limited, Chongqing, China
 ABB K.K., Tokyo, Japan
 ABB Limited, Auckland, New Zealand
 ABB LIMITED, Bangkok, Thailand
 ABB Limited, Dar Es Salaam, United Republic of Tanzania
 ABB Limited, Nairobi, Kenya
 ABB Limited, Warrington, United Kingdom
 ABB LLC, Muscat, Oman
 ABB LLP, Almaty, Kazakhstan
 ABB Logistics Center Europe GmbH, Menden, Germany
 ABB Ltd, Dublin, Ireland
 ABB Ltd., Hanoi, Vietnam
 ABB Ltd., Kampala, Uganda
 ABB Ltd., Kiev, Ukraine
 ABB Ltd., Lusaka, Zambia
 ABB Ltd., Moscow, Russian Federation
 ABB Manufacturing Sdn. Bhd., Subang Jaya, Malaysia
 ABB Mexico S.A. de C.V., San Luis Potosi SLP, Mexico
 ABB N.V., Zaventem, Belgium
 ABB Near East Trading Ltd., Amman, Jordan
 ABB Oy, Helsinki, Finland
 ABB Pte. Ltd., Singapore
 ABB Qatar LLC., Doha, Qatar
 ABB Research Ltd., Zurich, Switzerland
 ABB S.A., Buenos Aires, Argentina
 ABB S.A., Casablanca, Morocco
 ABB S.A., Les Ulis, France
 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 Schweiz AG, Baden, Switzerland
 ABB Sécheron S.A., Satigny, Switzerland
 ABB Service (Private) Ltd., Harare, Zimbabwe
 ABB Service Co. Ltd., Al Khobar, Saudi Arabia
 ABB Shanghai Motors Co. Ltd., Shanghai, China
 ABB South Africa (Pty) Ltd., Longmeadow, South Africa
 ABB Sp. zo.o., Warsaw, Poland
 ABB Stotz-Kontakt GmbH, Heidelberg, Germany
 ABB Technologies Ltd., Tirat Carmel, Israel
 ABB Technologies S.A., Dakar, Senegal
 ABB Technologies W.L.L., Bahrain
 ABB Technology Ltd., Zurich, Switzerland
 ABB Technology SA, Abidjan, Cote D'Ivoire
 ABB Transmission & Distribution Automation Equipment (Xiamen) Co. Ltd., Xiamen, China
 ABB Transmission & Distribution Ltd., Abu Dhabi, United Arab Emirates
 ABB Turbo Systems (Hong Kong) Limited, Hong Kong, China
 ABB Turbo Systems AG, Baden, 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 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
 ABBNG Limited, Lagos, Nigeria
 Asea Brown Boveri (Pty) Ltd., Windhoek, Namibia
 Asea Brown Boveri Ltd., Port Louis, Mauritius
 Asea Brown Boveri Ltda., Bogotá, Colombia
 Asea Brown Boveri Ltda., La Paz, Bolivia
 Asea Brown Boveri S.A., Madrid, Spain
 Asea Brown Boveri S.A., Metamorphosis Attica, Greece
 Baldor Electric Company de Mexico SA de CV, El Salto, Jalisco, Mexico
 Baldor Electric India Pvt Ltd., Pune, India (upto November 30, 2011)
 Baldor Electric Switzerland AG, Feuerthalen, Switzerland
 Baldor Holdings Inc, Boreham, USA
 Busch-Jaeger Elektro GmbH, Mannheim/Lüdenscheid, Germany
 Electrical Materials Center, Riyadh, Saudi Arabia
 K-Tek Level Engineering Pvt. Ltd., Navi Mumbai, India
 PT ABB Sakti Industri, Jakarta, Indonesia
 Pucaro Elektro-Isolierstoffe GmbH, Roigheim, Germany
 Shantou Winride Switchgear Co., Ltd., Longhu District Shantou, China
 Turbo Systems United Co. Ltd., Tokyo, Japan

Key Management Personnel :

Managing Director:

Mr. Bazmi R. Husain (w.e.f. 01.01.2011)

Mr. Biplab Majumder (upto 31.12.2010)

Chief Financial Officer:

Mr. Amlan Datta Majumdar

(Rs in Thousands)

For the year ended December 31, 2011	2011	2010
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) Sales, Services and Other Income		
Fellow Subsidiaries		
- ABB Oy, Helsinki, Finland	805,553	521,804
- ABB Contracting Company Ltd., Riyadh, Saudi Arabia	334,261	723,331
- ABB Global Industries and Services Limited, Bengaluru, India	243,074	439,866
- Other fellow subsidiaries	4,764,888	2,634,257
	6,147,776	4,319,258
ii) Purchases of Raw Materials, Components, Project Items and Traded Goods		
Subsidiary Company		
- Baldor Electric India Pvt Ltd., Pune, India	3,213	-
Fellow Subsidiaries		
- ABB Oy, Helsinki, Finland	3,500,525	3,267,040
- ABB AB, Västerås, Sweden	3,247,299	2,381,168
- ABB Schweiz AG, Baden, Switzerland	1,950,076	1,772,490
- Other fellow subsidiaries	6,833,242	6,346,070
	15,531,142	13,766,768
iii) Expenditure on ESAP Charges		
Fellow Subsidiaries		
- ABB ESAP Limited, St. Peters' Port, Guernsey	1,101	3,045
iv) Expenditure on Royalty, Trade-mark, Technical and Consultancy Services		
Holding Company	578,001	474,760
Fellow Subsidiaries		
- ABB Technology Ltd., Zurich, Switzerland	1,415,472	955,593
- Other fellow subsidiaries	170,874	123,956
	1,586,346	1,079,549
v) Expenditure on Information Technology, Engineering, Management and Other Services		
Holding Company	83,180	89,856
Fellow Subsidiaries		
- ABB Global Industries and Services Limited, Bengaluru, India	448,618	435,454
- ABB Information Systems Ltd., Zurich, Switzerland	327,430	212,976
- ABB Management Services Ltd., Zurich, Switzerland	107,313	108,242
- ABB FZ-LLC, Dubai, United Arab Emirates	57,023	71,623
- ABB Research Ltd., Zurich, Switzerland	4,062	110,161
- Other fellow subsidiaries	453,001	496,114
	1,397,447	1,434,570
vi) Capital expenditure for Technical Know-how		
Fellow Subsidiaries		
- ABB AB, Västerås, Sweden	82,336	6,878
- ABB S.p.A., Milan, Italy	12,529	-
- ABB Oy, Helsinki, Finland	9,950	73,088
- ABB Schweiz AG, Baden, Switzerland	-	54,415
- Other fellow subsidiaries	1,504	-
	106,319	134,381
vii) Other capital expenditure (Other than acquisition)		
Fellow Subsidiaries		
- ABB Stotz-Kontakt GmbH, Heidelberg, Germany	54,317	-
- ABB AB, Västerås, Sweden	20,099	15,075
- ABB Automation Products GmbH, Ladenburg, Germany	15,951	401
- ABB Australia Pty Limited, Sydney, Australia	13,206	5,779
- ABB S.p.A., Milan, Italy	117	8,338
- ABB Oy, Helsinki, Finland	1,976	6,537
- Other fellow subsidiaries	4,918	3,983
	110,584	40,113

		(Rs in Thousands)	
For the year ended December 31, 2011		2011	2010
viii) Business Acquisition / Share Purchase			
Fellow Subsidiaries			
- ABB Global Industries and Services Limited, Bengaluru, India		4,000,000	-
- Baldor Holdings Inc, Boreham, USA		338,966	-
- Baldor Electric Switzerland AG, Feuerthalen, Switzerland		34	-
		4,339,000	-
ix) Outstanding Balances			
Debtors and Advances			
Holding Company		6,616	2,518
Fellow Subsidiaries			
- ABB Contracting Company Ltd., Riyadh, Saudi Arabia		548,269	425,025
- ABB LLC, Muscat, Oman		264,892	180
- ABB AB, Västerås, Sweden		218,977	148,325
- Other fellow subsidiaries		1,460,204	1,140,530
		2,492,342	1,714,060
Creditors for Acquisition			
Fellow Subsidiaries			
- ABB Global Industries and Services Limited, Bengaluru, India		2,303,500	-
Creditors			
Holding Company		142,278	124,656
Subsidiary Company			
- Baldor Electric India Pvt Ltd., Pune, India		3,651	-
Fellow Subsidiaries			
- ABB Oy, Helsinki, Finland		1,111,189	1,288,944
- ABB AB, Västerås, Sweden		1,006,960	1,142,610
- ABB Schweiz AG, Baden, Switzerland		871,763	755,100
- Other fellow subsidiaries		2,588,500	2,492,567
		5,578,412	5,679,221
x) Dividend Paid during the year			
Holding Company		292,782	195,760
Fellow Subsidiaries		25,081	25,081
xi) Remuneration to Managing Director		23,042	16,186*
xii) Remuneration to Chief Financial Officer		9,213	9,019

* Excludes retirement benefits paid

Remuneration to directors and chief financial officer 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.

22. a) 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 and embedded derivative contracts amounting to **Rs 471,518 thousand** (Previous Year Loss of Rs 562,025 thousand).
- b) The pro rata difference between the forward contract rate and the exchange rate on the date of transaction to be charged to profit and loss account is **Rs 55,893 thousand** (Previous Year Rs 59,625 thousand).

23. Provisions

a) Movement in provisions: (Figures in brackets are in respect of the previous year)

Class of Provisions	(Rs in Thousands)				
	As at January 1, 2011	Additions	Amounts used	Unused amounts reversed	As at December 31, 2011
Warranties	933,662 (686,456)	675,810 (619,227)	470,817 (234,242)	130,397 (137,779)	1,008,258 (933,662)
Sales Tax	146,095 (53,462)	219,397 (150,373)	24,492 (49,583)	11,600 (8,157)	329,400 (146,095)
Litigations	56,725 (59,810)	2,106 (1,775)	1,775 (1,350)	- (3,510)	57,056 (56,725)
Restructuring	1,206 (1,206)	- (-)	- (-)	1,206 (-)	- (1,206)

b) Nature of provisions:

- Warranties: The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at December 31, 2011 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.
- 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.
- 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.

24. 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 **Rs 1,101 thousand** (Previous Year Rs 3,045 thousand) towards the above including administrative charges and this has been charged in the profit and loss account 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 above. Accordingly, the Company is of the opinion that there is no further accounting treatment/ disclosure required under the said Guidance Note.

25. Derivative Instruments

- Forward cover for foreign currency debtors outstanding as of balance sheet date is **Rs 2,977,989 thousand** (Previous Year Rs 2,120,925 thousand).
- Forward cover for expected future sales or highly probable forecast transaction as of balance sheet date is **Rs 3,339,859 thousand** (Previous Year Rs 4,044,113 thousand).
- Forward cover for foreign currency creditors outstanding as of balance sheet date is **Rs 6,917,460 thousand** (Previous Year Rs 6,440,017 thousand).
- Forward cover for expected future purchases or highly probable forecast transaction as of balance sheet date is **Rs 3,725,846 thousand** (Previous Year Rs 4,428,841 thousand).
- Foreign currency exposure (net) that are not hedged by derivative instruments or otherwise is **Rs 643,043 thousand** (Previous Year Rs 431,549 thousand).

26. The Company has amounts dues to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at December 31, 2011

(Rs in Thousands)		
For the year ended December 31, 2011	2011	2010
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at December 31, 2011		
Principal amount	1,153,178	777,752
Interest	240	388
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, 2011		
Principal amount	506,159	493,946
Interest	7,127	5,273
iii) The amount of interest due and payable for the period of delay in making payment beyond the appointed day during the year	71	210
iv) The amount of interest accrued and remaining unpaid for the year ending December 31, 2011	311	598
v) The amount of further interest remaining due and payable for the earlier years.	-	-

Note: The information has been given in respect of only those suppliers who have intimated the Company that they are registered as micro and small enterprises.

27. Sales are net of excise duty amounting to **Rs 3,232,891 thousand** (Previous Year Rs 3,222,035 thousand). Excise duty on increase in inventory of finished goods amounting to **Rs 36,278 thousand** (Previous Year reversal of excise duty Rs 2,328 thousand) has been accounted in the profit and loss account under the head 'Cost of Materials and Erection Services'.
28. 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 profit and loss account and the funded status and amounts recognised in the balance sheet.

For the year ended December 31, 2011	2011		2010	
	Gratuity	Provident Fund	Gratuity	Provident Fund
i) Change in benefit obligations				
Projected benefit obligations at beginning of the period	667,116	2,479,616	575,570	2,086,293
Acquired Business	27,065	-	-	-
Current Service Cost	64,819	198,401	56,154	155,309
Contribution by plan participants (employees)	-	358,213	-	270,594
Interest cost	58,380	210,767	43,168	156,472
Benefits paid	(82,865)	(301,578)	(39,329)	(206,343)
Actuarial loss / (gain)	26,522	(38,509)	31,553	17,291
Projected benefit obligations (PBO) at the end of the period	761,037	2,906,910	667,116	2,479,616
ii) Change in plan asset				
Plan assets at the beginning of the period, at fair value	594,988	2,437,876	540,990	2,048,124
Acquired Business	25,033	-	-	-
Contributions	110,056	522,607	50,315	387,320
Expected return on plan assets	56,443	229,355	49,183	181,782
Actuarial (loss) / gain	(3,083)	(28,472)	(6,171)	26,993
Benefits paid	(82,865)	(301,578)	(39,329)	(206,343)
Plan assets at the end of the period, at fair value	700,572	2,859,788	594,988	2,437,876
iii) Actual return on plan assets				
Expected Return on plan assets	56,443	229,355	49,183	181,782
Actuarial (loss) / gain on plan assets	(3,083)	(28,472)	(6,171)	26,993
Actual return on plan assets	53,360	200,883	43,012	208,775
iv) Present value of the defined benefit obligation				
Plan assets at the end of the period, at fair value	700,572	2,859,788	594,988	2,437,876
Liability recognised in the balance sheet	60,465	47,122	72,128	41,740
v) Cost for the period				
Current Service cost	64,819	198,401	56,154	155,309
Interest cost	58,380	210,767	43,168	156,472
Expected return on plan assets	(56,443)	(229,355)	(49,183)	(181,782)
Actuarial loss / (gain)	29,605	(10,037)	37,724	(9,702)
Expense recognised in the statement of profit & loss	96,361	169,776	87,863	120,297

For the year ended December 31, 2011	2011		2010	
	Gratuity	Provident Fund	Gratuity	Provident Fund
vi) Investment Details (% invested)				
GOI Securities	24.8	26.5	29.9	28.2
State Government Securities	16.2	15.2	18.3	12.9
PSU Securities	30.0	37.9	27.9	37.6
Special Deposit Scheme	19.1	7.8	15.6	9.4
Others (including bank balances)	9.9	12.6	8.3	11.9
	100.0	100.0	100.0	100.0
vii) Assumptions				
Interest rate for discount - per annum	9.00%	9.00%	8.50%	8.50%
Estimated rate of return on plan assets - per annum	9.00%	9.00%	9.00%	8.50%
viii) Experience Adjustment	2011	2010	2009	2008
Gratuity				
Defined Benefit Obligation	761,037	667,116	575,570	520,302
Plan Assets	700,572	594,988	540,990	491,881
Surplus / (Deficit)	(60,465)	(72,128)	(34,580)	(28,421)
Experience Adjustments on Plan Liabilities	53,834	42,986	8,240	51,270
Experience Adjustments on Plan Assets	3,083	6,171	(1,048)	(2,751)
Provident Fund				
Defined Benefit Obligation	2,906,910	2,479,616	2,086,293	1,822,049
Plan Assets	2,859,788	2,437,876	2,048,124	1,768,520
Surplus / (Deficit)	(47,122)	(41,740)	(38,169)	(53,529)
Experience Adjustments on Plan Liabilities	(37,593)	17,291	35,401	1,727
Experience Adjustments on Plan Assets	28,472	(26,993)	1,097	(6,871)

Notes :

- Gratuity Plan**
Gratuity is payable to all eligible employees of the Company as per the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme, whichever is higher.
- Provident Fund Plan**
The Company manages provident fund plan through a provident fund trust for its employees which is permitted under the Provident Fund and Miscellaneous Provisions Act, 1952. The Contribution by employee and employer together with interest are payable at the time of separation from service or retirement whichever is earlier.
- Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.
- The Company expects to contribute **Rs 105,997 thousand** (Previous Year Rs 96,649 thousand) to Gratuity Fund and **Rs 186,754 thousand** (Previous Year Rs 132,327 thousand) to Provident Fund in 2012.
- The attrition rate for gratuity varies from 1% to 8% for various age groups.

29. Prior year comparatives

Pursuant to the acquisition of businesses, the figures of the current year are not strictly comparable to those of the previous year. The figures of the previous year 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 & CO.
Firm Registration Number: 301003E
Chartered Accountants

Per Navin Agrawal
Partner
Membership No.: 56102
Bengaluru, February 23, 2012

For and on behalf of the Board

Gary Steel	Chairman
Bazmi R. Husain	Managing Director
Nasser Munjee	Director
Amlan Datta Majumdar	Chief Financial Officer
B. Gururaj	Company Secretary

Bengaluru, February 23, 2012

Statement Regarding Subsidiary Companies Pursuant to Section 212 (1) and (3) of the Companies Act, 1956:

(Rs in Thousands)

Name of the subsidiary	Financial year of the subsidiary ended on	Extent of holding by ABB Limited in the subsidiary as on December 31, 2011	Profit / (Loss) so far as it concerns the members of ABB Limited and not dealt with in the accounts of ABB Limited		Profit / (Loss) so far as it concerns the members of ABB Limited and dealt with in the accounts of ABB Limited	
			For the financial year ended on December 31,2011	For the previous years since it became a subsidiary	For the financial year ended on December 31, 2011	For the previous years since it became a subsidiary
Baldor Electric India Private Limited	December 31, 2011	100.00%	1,788	-	Nil	Nil

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.

State Code

Balance Sheet Date
Date Month Year

II Capital Raised during the year (Rs in Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III Position of Mobilisation and Deployment of Funds (Rs in Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves and Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

Deferred Tax Assets

IV Performance of the Company (Rs in Thousands)

Turnover

Total Expenditure

+/- Profit/Loss Before Tax

+/- Profit/Loss After Tax

Earnings per Share in Rs

Dividend Rate %

V Generic Names of Three Principal products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	<input type="text" value="85.35"/>
Product Description	<input type="text" value="Switchgears of all types"/>
Item Code No. (ITC Code)	<input type="text" value="85.04"/>
Product Description	<input type="text" value="Electronic Control and Supply Units for Variable Speed Drives and other applications"/>
Item Code No. (ITC Code)	<input type="text" value="85.04"/>
Product Description	<input type="text" value="Transformers"/>

For and on behalf of the Board

Gary Steel	Chairman
Bazmi R. Husain	Managing Director
Nasser Munjee	Director
Amlan Datta Majumdar	Chief Financial Officer
B. Gururaj	Company Secretary

Bengaluru, February 23, 2012

Auditor's Report on the Consolidated Financial Statements

To
The Board of Directors of ABB Limited

We have audited the attached consolidated balance sheet of ABB Limited ('the Company') and its subsidiary company [collectively hereinafter referred to as 'the Group'], as at December 31, 2011, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto ('consolidated financial statements'). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21 - Consolidated financial statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at December 31, 2011;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102

Place : Bengaluru
Date : February 23, 2012

Consolidated Balance Sheet

As at December 31, 2011		(Rs in Thousands)	
	Schedule		2011
Sources of Funds			
Shareholders' Funds			
Share Capital	1	423,817	
Reserves and Surplus	2	24,922,008	
			25,345,825
Preference shares issued by subsidiary Company	16(16)		18,458
Total			25,364,283
Application of Funds			
Fixed Assets			
Gross Block	3	14,886,033	
Less: Accumulated Depreciation and Amortisation		2,937,186	
Net Block		11,948,847	
Capital Work in Progress including Capital Advances		839,151	
			12,787,998
Investments	4		167,125
Deferred Tax Assets (net)	16(8)		225,135
Current Assets, Loans and Advances			
Inventories	5	9,391,522	
Sundry Debtors	6	30,935,583	
Cash and Bank Balances	7	2,691,149	
Other Current Assets	8	3,210,415	
Loans and Advances	9	3,689,450	
		49,918,119	
Less: Current Liabilities and Provisions			
Current Liabilities	10	35,397,553	
Provisions	11	2,336,541	
		37,734,094	
Net Current Assets			12,184,025
Total			25,364,283

Notes to Accounts

16

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration Number: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102
Bengaluru, February 23, 2012

For and on behalf of the Board

Gary Steel	Chairman
Bazmi R. Husain	Managing Director
Nasser Munjee	Director
Amlan Datta Majumdar	Chief Financial Officer
B. Gururaj	Company Secretary

Bengaluru, February 23, 2012

Consolidated Profit and Loss Account

			(Rs in Thousands)
For the year ended December 31, 2011	Schedule		2011
Income			
Sales and Services		76,960,165	
Less : Excise Duty on Sales		3,232,891	
Sales and Services (Net)	12		73,727,274
Other Income	13		952,517
			74,679,791
Expenditure			
Cost of Materials and Erection Services		54,800,736	
Personnel Expenses	14	5,872,071	
Other Expenses	15	10,224,793	
Depreciation / Amortisation		795,474	
Interest Expenses - Others		306,802	
			71,999,876
Profit Before Tax			2,679,915
Provision for Tax:			
Current Tax			1,049,205
Deferred Tax			(178,469)
Fringe Benefits Tax - Writeback of provisions in respect of previous years			(37,960)
			832,776
Profit After Tax			1,847,139
Add: Balance brought forward			546,910
Profit available for appropriation			2,394,049
Appropriations			
General Reserve			800,000
Proposed Equity Dividend			635,725
Proposed Preference Dividend by subsidiary			973
Corporate Dividend Tax			103,289
Corporate Dividend Tax (Previous Years)			(1,637)
Balance carried forward			855,699
			2,394,049

Basic and Diluted Earnings per Equity Share (in Rs) (Face value Rs 2 per share)	16(3)	8.71
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Notes to Accounts	16
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The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration Number: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102
Bengaluru, February 23, 2012

For and on behalf of the Board

Gary Steel	Chairman
Bazmi R. Husain	Managing Director
Nasser Munjee	Director
Amlan Datta Majumdar	Chief Financial Officer
B. Gururaj	Company Secretary

Bengaluru, February 23, 2012

Consolidated Cash Flow Statement

(Rs in Thousands)	
For the year ended December 31, 2011	2011
A. Cash Flow from Operating Activities	
Net Profit Before Tax	2,679,915
Adjustments for	
Depreciation / Amortisation	795,474
Unrealised Exchange Loss / (Gain) (net)	(39,557)
Loss / (Profit) on Sale of Fixed Assets (net)	35,275
Interest Income	(161,903)
Interest Expense	306,802
Operating Profit before Working Capital Changes	3,616,006
Movement in Working Capital	
(Increase) / Decrease in Sundry Debtors	(648,500)
(Increase) / Decrease in Inventories	(1,922,245)
(Increase) / Decrease in Other Current Assets	400,220
(Increase) / Decrease in Loans and Advances	(437,884)
Increase / (Decrease) in Current Liabilities and Provisions	838,004
Cash Generated from Operations	1,845,601
Direct Taxes Paid (net of refunds)	(645,707)
Net Cash generated from Operating Activities	1,199,894
B. Cash Flow from Investing Activities	
Purchase of Fixed Assets	(1,550,759)
Proceeds from sale of Fixed Assets	15,537
Acquisition of businesses (refer note 2 of schedule 16)	(1,696,500)
Stamp duty on assets towards business acquisition	(202,448)
Purchase of Investment in subsidiary	(339,848)
Sale / Maturity of Investments	833
Interest Received	163,188
Deposits (with maturity more than three months)	(1,569)
Net Cash used in Investing Activities	(3,611,566)
C. Cash Flow from Financing Activities	
Proceeds from short-term borrowings	57,670,900
Repayment of short-term borrowings	(57,670,900)
Interest Paid	(306,802)
Dividend (including Corporate Dividend Tax) paid	(492,571)
Net Cash used in Financing Activities	(799,373)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(3,211,045)
Cash and Cash Equivalents (Opening Balance)	5,775,612
Cash and Cash Equivalents (acquired from subsidiary)	21,460
Cash and Cash Equivalents (Closing Balance)	2,586,027
Components of Cash and Cash Equivalents as at Dec 31,	2011
Cash and Bank Balances	2,691,149
Less: Balances on Margin Account	91,719
Less: Restricted Cash	13,403
Cash & Cash Equivalents in Cash Flow Statement	2,586,027

Notes: 1) Cash and Cash Equivalents at the end of the year represent cash and cheques on hand and cash and deposits with banks.
2) Cash Flow Statement is made using the indirect method.
3) Movement in working capital includes adjustment for opening net working capital of **Rs 614,748 thousand**, acquired on acquisition of business from ABB Global Industries and Services Limited.

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration Number: 301003E
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102
Bengaluru, February 23, 2012

For and on behalf of the Board

Gary Steel	Chairman
Bazmi R. Husain	Managing Director
Nasser Munjee	Director
Amlan Datta Majumdar	Chief Financial Officer
B. Gururaj	Company Secretary

Bengaluru, February 23, 2012

Schedules forming part of the Consolidated Accounts

		(Rs in Thousands)
As at December 31, 2011		2011
Schedule 1 - Share Capital		
Authorised		
212,500,000	Equity Shares of Rs 2 each	425,000
(212,500,000)		
750,000	11% Redeemable 10 year, Cumulative Preference Shares of Rs 100 each	75,000
(750,000)		
		500,000
Issued, Subscribed and Paid Up		
211,908,375	Equity Shares of Rs 2 each	423,817
(211,908,375)		
		423,817

Notes:

Share Capital includes:

- 46,185,525 equity shares of Rs 2 each allotted as fully paid up at par, pursuant to contracts for consideration other than cash.
- 1,000,000 equity shares of Rs 2 each issued to the holders of 40,000 - 8.57% cumulative preference shares of Rs 100 each on cancellation of the preference shares in terms of a Scheme of Compromise between the Company and its preference/equity shareholders in 1988.
- 42,219,465 and 51,772,945 equity shares of Rs 2 each issued as fully paid up bonus shares by capitalisation of the General Reserve Account and Securities Premium Account respectively.
- 146,390,952 equity shares of Rs 2 each are held by ABB Asea Brown Boveri Limited, Zurich, Switzerland, the holding company and 12,540,330 equity shares of Rs 2 each are held by ABB Norden Holdings AB, Sweden, a subsidiary of the holding company.

		(Rs in Thousands)
As at December 31, 2011		2011
Schedule 2 - Reserves and Surplus		
Capital Reserve Account		10,971
Capital Redemption Reserve Account		75,000
Securities Premium Account		593,990
General Reserve Account		
As per last Balance Sheet	22,586,348	
Transferred from Profit and Loss Account	800,000	
		23,386,348
Profit and Loss Account		
Balance carried forward		855,699
		24,922,008

As at December 31, 2011

(Rs in Thousands)

Schedule 3 - Fixed Assets

Description	Gross Block					Depreciation / Amortisation					Net Block	
	As at January 1, 2011	On acquisition subsidiary	Additions	Deductions	As at December 31, 2011	As at January 1, 2011	On acquisition subsidiary	For the year	Deductions	As at December 31, 2011	As at December 31, 2011	
A. Tangible Assets												
1. Own Asset												
Freehold Land	259,038	-	413,842	-	672,880	-	-	-	-	-	672,880	
Leasehold Land	139,017	-	95,260	-	234,277	6,289	-	2,417	-	8,706	225,571	
Lease hold Improvements	203,517	-	3,016	294	206,239	58,576	-	16,934	90	75,420	130,819	
Factory Buildings	2,214,905	-	540,073	186	2,754,792	266,140	-	84,738	13	350,865	2,403,927	
Other Buildings	514,303	-	80,995	115	595,183	44,148	-	12,852	115	56,885	538,298	
Residential Quarters	7,570	-	-	7	7,563	2,878	-	123	1	3,000	4,563	
Plant and Machinery	5,688,512	4,568	2,457,851	79,633	8,071,268	1,600,948	1,526	515,289	30,557	2,087,206	5,984,062	
Furniture and Fixtures	414,442	993	53,228	1,550	467,113	106,042	209	26,816	698	132,369	334,744	
Vehicles	19,574	-	8,050	6,322	21,302	12,569	-	3,242	5,851	9,960	11,342	
	9,460,878	5,561	3,652,315	88,137	13,030,617	2,097,590	1,735	662,411	37,325	2,724,411	10,306,206	
2. Leased Assets												
Plant and Machinery	83,141	-	-	83,141	-	80,828	-	2,313	83,141	-	-	
	83,141	-	-	83,141	-	80,828	-	2,313	83,141	-	-	
Total Tangible Assets	9,544,019	5,561	3,652,315	171,278	13,030,617	2,178,418	1,735	664,724	120,466	2,724,411	10,306,206	
B. Intangible Assets												
Technical Know how Fees	288,222	-	743,556	40,951	990,827	83,977	-	115,274	40,951	158,300	832,527	
Capitalised Software	87,794	72	9,371	16,237	81,000	52,257	35	15,476	16,237	51,531	29,469	
Goodwill on acquisition	58,403	-	464,203	-	522,606	2,944	-	-	-	2,944	519,662	
Goodwill on consolidation	-	260,983	-	-	260,983	-	-	-	-	-	260,983	
Total Intangible Assets	434,419	261,055	1,217,130	57,188	1,855,416	139,178	35	130,750	57,188	212,775	1,642,641	
	9,978,438	266,616	4,869,445	228,466	14,886,033	2,317,596	1,770	795,474	177,654	2,937,186	11,948,847	
Capital Work in Progress including Capital Advances											839,151	
Grand Total											12,787,998	

Notes :

1. Residential Quarters include cost of shares in Lotus Court Private Limited **Rs 56 thousand**.
2. Certain land and building on acquisition of businesses amounting to Rs 361,708 thousand during the year is in the process of being registered in the name of the Company.

(Rs in Thousands)

As at December 31, 2011

2011

Schedule 4 - Investments**Long Term (At Cost) :****Non Trade :****Government Securities -****Quoted :**

1,500,000 6.25% 2018 Government of India Bonds of Rs 100 each

159,600

Others :**Unquoted :**

10 5.95% 15 Year Non - Cumulative Bonds of Karnataka Water & Sanitation Pooled Fund Trust of Rs 750,000 each.

7,500

1,000 Shares of Rs 25 each fully paid up in Co-operative Bank of Baroda

25

7,525

167,125

Notes :

Quoted Investments aggregate

159,600

(Market value - **Rs 134,085 thousand**)

Unquoted Investments aggregate

7,525

Schedule 5 - Inventories

Stores and Spares

23,426

Raw Materials and Components

4,705,625

Goods in Transit - Raw Materials and Components

664,375

Finished Goods

1,260,767

Work-in-Progress

2,737,329

9,391,522

Schedule 6 - Sundry Debtors**Unsecured :**

Debts outstanding for a period exceeding six months

- Considered Good

13,568,147

- Considered Doubtful

2,986,843

16,554,990

Other Debts - Considered Good

17,367,436

33,922,426

Less: Provision for Doubtful Debts

2,986,843

30,935,583

Schedule 7 - Cash and Bank Balances

Cash and Cheques on hand

722,889

Balances with Scheduled Banks

- On Current Account

1,260,780

- On Deposit Account

600,000

- On Margin Account

91,719

1,952,499

With Non Scheduled Banks - On Current Account

15,761

2,691,149

Schedule 8 - Other Current Assets

Contract Revenue in Excess of Billing and Unbilled Revenue

3,203,925

Interest Accrued on Investments and Fixed Deposits

6,490

3,210,415

(Rs in Thousands)

As at December 31, 2011		2011
Schedule 9 - Loans and Advances		
Unsecured : (Considered Good unless otherwise stated)		
Loans to employees		1,308
Advances recoverable in cash or in kind or for value to be received:		
- Considered Good	2,337,317	
- Considered Doubtful	28,964	
	2,366,281	
Less: Provision for Doubtful Advances	28,964	
		2,337,317
Income Tax (net of provision)		527,991
Balances with Customs, Port Trusts and Excise Authorities		822,834
		3,689,450
Schedule 10 - Current Liabilities		
Acceptances		3,812,181
Sundry Creditors		
- Dues to Micro and Small Enterprises	1,153,489	
- Others	17,708,764	
		18,862,253
Consideration payable for the businesses acquired		2,303,500
Advance Payment from Customers		7,355,601
Billing in Excess of Contract Revenue		3,050,615
Investor Education and Protection Fund shall be credited for unclaimed dividends amount when due		13,403
		35,397,553
Schedule 11 - Provisions		
Proposed Equity Dividend		635,725
Proposed Preference Dividend		973
Corporate Dividend Tax		103,289
Provident Fund		47,122
Long term Employee Benefits		154,518
Others (refer note 12 of schedule 16)		1,394,914
		2,336,541
Schedule 12 - Sales and Services		
Manufacturing Sales		46,111,417
Project Items		23,109,962
Erection, Commissioning and Engineering Services		4,505,895
		73,727,274

Note : Project items comprise sale of equipment and miscellaneous items meant for execution of projects and trading items.

Schedule 13 - Other Income		
Interest		
Long Term Investment - Non Trade	9,846	
(Tax deducted at source Rs Nil)		
Deposit with Banks	59,218	
(Tax deducted at source Rs 5,958 thousand)		
Others	92,839	
		161,903
Scrap Sales		238,905
Commission Income		41,244
Miscellaneous Income		510,465
		952,517

	(Rs in Thousands)
For the year ended December 31, 2011	2011
Schedule 14 - Personnel Expenses	
Salaries, Wages and Bonus	4,928,623
Gratuity	96,848
Provident Fund	169,982
Contribution to Superannuation and Other Funds	242,485
Workmen and Staff Welfare Expenses	240,613
Other Personnel Expenses	193,520
	5,872,071
Schedule 15 - Other Expenses	
Stores and Spares	392,409
Royalty and Technology Fees	1,683,675
Freight and Forwarding (net of recovery)	685,695
Postage and Telephone	102,531
Commission (other than sole selling agent)	57,354
Discount	24,062
Power, Fuel and Water	423,573
Travelling and Conveyance	1,100,657
Insurance	123,387
Rates and Taxes	297,829
Rent	295,803
Repairs : Buildings	40,032
Plant and Machinery	280,966
Others	44,423
Provision for Doubtful Debts and Advances	904,171
Bad Debts / Advances Written Off	93,445
Loss on Sale of Fixed Assets (net)	35,275
Printing and Stationery	60,162
Bank Charges	157,174
Legal and Professional	221,749
Trade Mark Fees	578,001
Information Technology Expenses	895,426
Exchange Rate Difference - (Gain) / Loss (net)	(249,644)
Miscellaneous	1,976,638
	10,224,793

Notes to the Consolidated Accounts

Schedule 16 - Notes to the Accounts

1. Significant Accounting Policies

1.1 Basis of Preparation of consolidated Financial Statements

The consolidated financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the accounting principles generally accepted in India.

1.2 Principles of Consolidation

The consolidated financial statements include the financial statements of ABB Limited, India ('the Company') / ('the parent company') and its 100% subsidiary Baldor Electric India Private Limited ('the subsidiary company'). The Company and its subsidiary constitute the ABB India Group ('the Group'). Baldor became a wholly owned subsidiary of the Company effective December 1, 2011.

Accounts of the subsidiary company has been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all intra-group balances and unrealised profits or losses on intra group transactions.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The financial statements of the subsidiary company used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

The excess of cost of the parent company of its investment in the subsidiary over its portion of equity in the subsidiary, on the date of investment is recognised in the financial statements as goodwill. The parent company's portion of equity in such subsidiary is determined on the basis of book values of assets and liabilities as per the financial statement of the subsidiary as on the date of investment.

1.3 Use of Estimates

The preparation of consolidated 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 amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.4 Fixed Assets (Tangible and Intangible)

Fixed assets are stated at the cost of acquisition, less accumulated depreciation / amortisation and 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 capitalised 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 capitalised. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work in progress.

Capitalised 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 upgrades / enhancements are generally charged off as revenue expenditure unless they bring significant additional benefits of lasting nature.

Assets acquired under finance lease are capitalised at the lower of their fair value and the present value of the minimum lease payments.

1.5 Depreciation / Amortisation

Depreciation on assets (except those described below) is provided on the straight-line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956, which management considers as being representative of the useful economic lives of such assets. Depreciation is provided from the date of capitalisation till the date of sale of assets.

The following assets are depreciated / amortised on the straight line method over a period of their estimated useful lives:

- Leasehold land and leasehold improvements over the period of the lease.
- Technical know-how fees over a period of six years.
- Capitalised software costs over a period of five years.

Goodwill on acquisition and arising on consolidation, is not amortised but is tested for impairment.

Assets individually costing Rs 5,000 or less are depreciated fully in the year of purchase.

Assets under finance lease are depreciated over the lower of the lease term or the useful life of the asset unless there is reasonable certainty that the Group will obtain ownership, wherein such assets are depreciated on the straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

1.6 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 recognised 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. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

1.7 Investments

Investments that are readily realisable and intended to be held for not more than a year 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. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

1.8 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 and components - 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 based on annual average cost of production which includes direct materials, direct labour and manufacturing overheads. Excise duty is included in the value of finished goods inventory.

Provision for obsolescence is made wherever necessary.

1.9 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 profit and loss account. There are no other obligations other than the contribution payable to the Superannuation Fund Trust.

Contributions to the recognised Provident Fund / Gratuity Fund and provision for other long term employee benefits - leave, defined benefit schemes, 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 profit and loss account during the year.

Actuarial gains and losses are recognised immediately in the profit and loss account.

1.10 Revenue Recognition

- Sales of products and services are recognised 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 recognised on achievement of contractual milestone. Revenue recognised 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 recognised 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 "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 Group.
- Commission income is recognised as per contracts / receipt of credit note.
- Dividend income is recognised when the right to receive dividend is established.
- Interest income is recognised on the time proportion method.

1.11 Provisions

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources 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 recognised nor disclosed in the financial statements.

1.12 Research and Development

All revenue expenditure pertaining to research are charged to the profit and loss account in the year in which they are incurred and development expenditure of capital nature is capitalised as fixed assets, and depreciated as per the Group policy.

1.13 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 recognised in the profit and loss account 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 recognised in the profit and loss account for the year.

The Group 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 recognised in the profit and loss account for the year in which it occurs. The premium or discount on such contracts is recognised in the profit and loss account over the period of the contract.

Gain or loss on fair valuation of forward exchange contracts for hedging highly forecasted transactions and embedded derivative contracts are recognised in the profit and loss account for the year in which it occurs.

1.14 Taxation

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 transactions with associated enterprises. Provision for current income tax is made on the basis of the results of the year although the actual liability will be computed and paid on the basis of the results for the year ending March 31, 2012.

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 recognised to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets are reviewed at each balance sheet date for its realisability.

1.15 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 recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

2. Acquisitions

- a) The Company has acquired with effect from April 1, 2011 three businesses; (a) Transformer Insulation - Boards and Components, (b) Low Voltage Breakers and Switches and (c) Vacuum Interrupters from M/s ABB Global Industries and Services Limited, for an aggregate consideration of **Rs 4,000,000 thousand** on a slump sale basis. Net Assets acquired is **Rs 3,535,797 thousand** and goodwill capitalised on acquisition is **Rs 464,203 thousand**.
- b) During the year the parent company has acquired 100% equity shares of Baldor Electric India Private Limited, Pune (Baldor) from Baldor Holdings Inc., USA and Baldor Electric Switzerland AG, Switzerland, for a total consideration of **Rs 339,000 thousand**. Baldor became a wholly owned subsidiary of the Company effective December 1, 2011. The parent company is in the process of acquiring the preference shares in Baldor at consideration of Rs 18,458 thousand from Baldor Holdings Inc., USA.

For the year ended December 31, 2011		2011
3. Earnings Per Share		
a) Weighted average number of Equity Shares of Rs 2 each outstanding during the year		211,908,375
b) Net profit after tax attributable to equity shareholders (Rs in thousand)		
Net Profit after tax	1,847,139	
Less : Proposed preference dividend by subsidiary	973	
Less : Corporate Dividend tax on preference dividend by subsidiary	158	
		1,846,008
c) Basic and Diluted Earnings Per Share (in Rs)		8.71

4. Segment Reporting

A) Primary Segment Reporting (by Business Segments)

i) Composition of Business Segments

The Group's business segments are organized around products and system solutions provided to its customers, which include utilities, industries, channel partners and original equipment manufacturers.

Power Systems Segment (PS) offers turnkey systems and services for transmission and distributions for power grid and power plants. The segment offers the instrumentation, control and the entire balance of power plants, which improve performance and energy efficiency through flexible alternating current transmission systems, high voltage direct current systems, network management systems and utility communications.

Power Products Segment (PP) manufactures, engineers, supplies key components to transmit and distribute electricity, improving power supply and energy efficiency. The segment produces transformers, high and medium voltage switchgears, circuit breakers, capacitors, distribution relays, insulation paper and paper board components etc.

Process Automation Segment (PA) provides customers with integrated solutions for control, plant optimisation 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.

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.

Low Voltage Products Segment (LP) manufactures products and systems that provide protection, control and measurement for electrical installations, enclosures, switchboards, electronics and electromechanical devices for industrial machines, plants and related service.

- ii) The accounting policies used in the preparation of the financial statements of the Group 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 optimisation objective for the Group.

v) Segment Revenues, Results and Other Information

(Rs in Thousands)

	Power Systems	Power Products	Process Automation	Discrete Automation and Motion	Low Voltage Products	Total
External Sales (net of Excise Duty)	23,258,695	16,400,606	12,779,026	16,295,819	4,746,900	73,481,046
Inter Segment Sales	280,000	3,180,721	350,650	1,646,554	597,267	6,055,192
Other Operating Income	85,088	426,482	89,330	78,980	54,652	734,532
Segment Revenues	23,623,783	20,007,809	13,219,006	18,021,353	5,398,819	80,270,770
Segment Results	-8,314	998,272	376,774	2,068,955	341,381	3,777,068
Segment Assets	17,132,498	15,016,209	10,230,213	8,820,376	3,548,947	54,748,243
Segment Liabilities	12,715,486	8,223,604	6,626,650	6,377,752	1,534,835	35,478,327
Capital Expenditure	66,481	3,155,737	54,639	114,578	854,434	4,245,869
Depreciation / Amortisation	13,679	379,735	28,448	149,479	92,043	663,384

vi) Reconciliation of Reportable Segments with the Financial Statements

(Rs in Thousands)

	Revenues	Results / Net Profit	Capital Expenditure	Assets	Liabilities
Total Segments	80,270,770	3,777,068	4,245,869	54,748,243	35,478,327
Corporate - Unallocated (net)	464,213	-790,351	885,762	8,350,134	2,255,767
Inter Segment Sales	-6,055,192	-	-	-	-
Interest Expense	-	-306,802	-	-	-
Provision for tax	-	832,776	-	-	-
As per Financial Statements	74,679,791	1,847,139	5,131,631	63,098,377	37,734,094

B) Secondary Segment Reporting (by Geographical Segments)

Secondary segment disclosures are reported on the basis of geographical location of customers and assets.

(Rs in Thousands)

	India	Rest of World	Total
Revenues	65,542,637	9,137,154	74,679,791
Total Assets	59,359,893	3,738,484	63,098,377
Capital Expenditure	5,131,217	414	5,131,631

(Rs in Thousands)	
As at December 31, 2011	2011
5. Contingent Liabilities	
i) Excise duty / Service tax and Sales tax liabilities	4,202,610
ii) Custom duty liabilities	38,308
iii) Claims against the Company not acknowledged as debts	88,457
iv) Income tax matters in dispute	192,981

The Company does not expect any reimbursements in respect of the above contingent liabilities and it is not practicable to estimate the timings of cash outflows, if any, in respect of matters above pending resolution of the arbitration / appellate proceedings.

6. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) **862,030**

7. The Company has taken several premises and equipments under cancelable and non-cancelable 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. The Company has non-cancelable operating lease obligations of **Rs 43,700 thousand** payable within one year and **Rs 85,019 thousand** payable later than one year but not later than five years and **Rs 34,447 thousand** payable later than five years as on December 31, 2011. Rental expenses towards cancelable and non-cancelable operating lease charged to the profit and loss account amounts to **Rs 295,803 thousand**.

There are no assets given on operating leases.

Some of the lease agreements have escalation clause ranging from 5% to 15%. There are no exceptional / restrictive covenants in the lease agreement.

8. Deferred Tax

The break up of net deferred tax assets / liability as at December 31, 2011 is as follows:

(Rs in Thousands)		
As at December 31, 2011	Deferred Tax Asset	Deferred Tax Liability
Timing differences on account of:		
Difference between book depreciation and depreciation under the Income-tax Act, 1961		833,027
Expenditure under Section 43B of the Income-tax Act, 1961	38,893	
Provisions for doubtful debts and advances	978,435	
Others	40,834	
	1,058,162	833,027
Net Deferred Tax Assets	225,135	

9. Research and development expenditure of **Rs 4,008 thousand** on revenue account has been incurred during the year.

(Rs in Thousands)	
As at December 31, 2011	2011
10. Construction Contracts	
Contract revenue recognised as revenue for the year ended December 31, 2011	31,043,217
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to December 31, 2011 for all the contracts in progress	112,176,510
The amount of customer advances outstanding for contracts in progress as at December 31, 2011	4,538,432
The amount of retentions due from customers for contracts in progress as at December 31, 2011	10,449,252

11. 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:

Subsidiary :

Baldor Electric India Pvt Ltd., Pune, India (with effect from December 1, 2011)

Fellow subsidiaries:

ABB (Asea Brown Boveri), S.A., Paco de Arcos, Portugal
ABB (China) Ltd., Beijing, China
ABB (Hong Kong) Ltd., Hong Kong, China
ABB (Private) Ltd., Harare, Zimbabwe
ABB (Pty) Ltd., Gaborone, Botswana
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 Australia Pty Limited, Sydney, Australia
ABB Automation EOOD, Rakovski, Bulgaria
ABB Automation GmbH, Mannheim, Germany
ABB Automation L.L.C., Abu Dhabi, United Arab Emirates
ABB Automation Products GmbH, Ladenburg, Germany
ABB Bailey Beijing Engineering Co. Ltd., Beijing, China
ABB Bailey Japan Limited, Shizuoka-Ken, Japan
ABB Beijing Drive Systems Co. Ltd., Beijing, China
ABB BV, Rotterdam, Netherlands
ABB Capital, B.V., Amsterdam, Netherlands
ABB Chongqing Transformer Company Ltd., Chongqing, China
ABB CL Logistic S.A., Montevideo, Uruguay
ABB Contracting Company Ltd., Riyadh, Saudi Arabia
ABB d.o.o., Belgrade, Serbia
ABB D.o.o., Ljubljana, Slovenia
ABB Ecuador S.A., Quito, Ecuador
ABB Electrical Industries (ABB ARAB) S.A.E., Cairo, Egypt
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 ESAP Limited, St. Peter's Port, Guernsey
ABB France, Les Ulis, France
ABB FZ-LLC, Dubai, United Arab Emirates
ABB Global Industries and Services Limited, Bengaluru, India
ABB Global Marketing FZ LLC, Dubai, United Arab Emirates
ABB Group Accounting Services B.V., Rotterdam, Netherlands
ABB High Voltage Switchgear Co. Ltd., Beijing, China
ABB Holdings Sdn. Bhd., Subang Jaya, Malaysia
ABB Import & Export Services Ltd., Oranjestad/Aruba (NA), Aruba (NI)
ABB Inc., Cary, NC, United States
ABB Inc., St. 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., Zurich, Switzerland
ABB Intra AG, Zurich, Switzerland
ABB Jiangjin Turbo Systems Company Limited, Chongqing, China
ABB K.K., Tokyo, Japan
ABB Limited, Auckland, New Zealand
ABB Ltd., Seoul, South Korea
ABB Ltd., Taipei, Taiwan, Province Of China
ABB Ltd., Zagreb, Croatia
ABB Ltda., Osasco, Brazil
ABB LV Installation Materials Co. Ltd., Beijing, China
ABB Malaysia Sdn Bhd., Subang Jaya, Malaysia
ABB Management Services Ltd., Zurich, Switzerland
ABB Manufacturing Sdn. Bhd., Subang Jaya, Malaysia
ABB Mexico S.A. de C.V., San Luis Potosi SLP, Mexico
ABB N.V., Zaventem, Belgium
ABB Near East Trading Ltd., Amman, Jordan
ABB Oy, Helsinki, Finland
ABB Pte. Ltd., Singapore
ABB Qatar LLC., Doha, Qatar
ABB Research Ltd., Zurich, Switzerland
ABB S.A., Buenos Aires, Argentina
ABB S.A., Casablanca, Morocco
ABB S.A., Les Ulis, France
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 Schweiz AG, Baden, Switzerland
ABB Sécheron S.A., Satigny, Switzerland
ABB Service (Private) Ltd., Harare, Zimbabwe
ABB Service Co. Ltd., Al Khobar, Saudi Arabia
ABB Shanghai Motors Co. Ltd., Shanghai, China
ABB South Africa (Pty) Ltd., Longmeadow, South Africa
ABB Sp. zo.o., Warsaw, Poland
ABB Stotz-Kontakt GmbH, Heidelberg, Germany
ABB Technologies Ltd., Tirat Carmel, Israel
ABB Technologies S.A., Dakar, Senegal
ABB Technologies W.L.L., Bahrain
ABB Technology Ltd., Zurich, Switzerland
ABB Technology SA, Abidjan, Cote D'Ivoire
ABB Transmission & Distribution Automation Equipment (Xiamen) Co. Ltd., Xiamen, China
ABB Transmission & Distribution Ltd., Abu Dhabi, United Arab Emirates
ABB Turbo Systems (Hong Kong) Limited, Hong Kong, China
ABB Turbo Systems AG, Baden, 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 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
ABBNG Limited, Lagos, Nigeria
Asea Brown Boveri (Pty) Ltd., Windhoek, Namibia
Asea Brown Boveri Ltd., Port Louis, Mauritius
Asea Brown Boveri Ltda., Bogotá, Colombia
Asea Brown Boveri Ltda., La Paz, Bolivia

ABB LIMITED, Bangkok, Thailand
 ABB Limited, Dar Es Salaam, United Republic of Tanzania
 ABB Limited, Nairobi, Kenya
 ABB Limited, Warrington, United Kingdom
 ABB LLC, Muscat, Oman
 ABB LLP, Almaty, Kazakhstan
 ABB Logistics Center Europe GmbH, Menden, Germany
 ABB Ltd, Dublin, Ireland
 ABB Ltd., Hanoi, Vietnam
 ABB Ltd., Kampala, Uganda
 ABB Ltd., Kiev, Ukraine
 ABB Ltd., Lusaka, Zambia
 ABB Ltd., Moscow, Russian Federation

Asea Brown Boveri S.A., Madrid, Spain
 Asea Brown Boveri S.A., Metamorphosis Attica, Greece
 Baldor Electric Company de Mexico SA de CV, El Salto, Jalisco, Mexico
 Baldor Electric India Pvt Ltd., Pune, India (upto November 30, 2011)
 Baldor Electric Switzerland AG, Feuerthalen, Switzerland
 Baldor Holdings Inc, Boreham, USA
 Busch-Jaeger Elektro GmbH, Mannheim/Lüdenscheid, Germany
 Electrical Materials Center, Riyadh, Saudi Arabia
 K-Tek Level Engineering Pvt. Ltd., Navi Mumbai, India
 PT ABB Sakti Industri, Jakarta, Indonesia
 Pucaro Elektro-Isolierstoffe GmbH, Roigheim, Germany
 Shantou Winride Switchgear Co., Ltd., Longhu District Shantou, China
 Turbo Systems United Co. Ltd., Tokyo, Japan

Key Management Personnel :

Managing Director:

Mr. Bazmi R. Husain (w.e.f. 01.01.2011)

Mr. Biplab Majumder (upto 31.12.2010)

Chief Financial Officer:

Mr. Amlan Datta Majumdar

		(Rs in Thousands)
For the year ended December 31, 2011		2011
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) Sales, Services and Other Income		
Fellow Subsidiaries		
- ABB Oy, Helsinki, Finland		805,553
- ABB Contracting Company Ltd., Riyadh, Saudi Arabia		334,261
- ABB Global Industries and Services Limited, Bengaluru, India		243,074
- Other fellow subsidiaries		4,768,348
		6,151,236
ii) Purchases of Raw Materials, Components, Project items and Traded Goods		
Fellow Subsidiaries		
- ABB Oy, Helsinki, Finland		3,500,525
- ABB AB, Västerås, Sweden		3,247,299
- ABB Schweiz AG, Baden, Switzerland		1,950,076
- Other fellow subsidiaries		6,851,868
		15,549,768
iii) Expenditure on ESAP Charges		
Fellow Subsidiaries		
- ABB ESAP Limited, St. Peters' Port, Guernsey		1,101
iv) Expenditure on Royalty, Trade-mark, Technical and Consultancy Services		
Holding Company		578,001
Fellow Subsidiaries		
- ABB Technology Ltd., Zurich, Switzerland		1,415,472
- Other fellow subsidiaries		170,874
		1,586,346
v) Expenditure on Information Technology, Engineering, Management and Other Services		
Holding Company		83,180
Fellow Subsidiaries		
- ABB Global Industries and Services Limited, Bengaluru, India		448,618
- ABB Information Systems Ltd., Zurich, Switzerland		327,430
- ABB Management Services Ltd., Zurich, Switzerland		107,313
- ABB FZ-LLC, Dubai, United Arab Emirates		57,023
- ABB Research Ltd., Zurich, Switzerland		4,062
- Other fellow subsidiaries		453,001
		1,397,447

(Rs in Thousands)	
For the year ended December 31, 2011	2011
vi) Capital Expenditure for Technical Know-how	
- Fellow Subsidiaries	
- ABB AB, Västerås, Sweden	82,336
- ABB S.p.A., Milan, Italy	12,529
- ABB Oy, Helsinki, Finland	9,950
- Other fellow subsidiaries	1,504
	106,319
vii) Other Capital Expenditure (Other than acquisition)	
Fellow Subsidiaries	
- ABB Stotz-Kontakt GmbH, Heidelberg, Germany	54,317
- ABB AB, Västerås, Sweden	20,099
- ABB Automation Products GmbH, Ladenburg, Germany	15,951
- ABB Australia Pty Limited, Sydney, Australia	13,206
- Other fellow subsidiaries	7,011
	110,584
viii) Business Acquisition / Share Purchase	
Fellow Subsidiaries	
- ABB Global Industries and Services Limited, Bengaluru, India	4,000,000
- Baldor Holdings Inc, Boreham, USA	338,966
- Baldor Electric Switzerland AG, Feuerthalen, Switzerland	34
	4,339,000
ix) Outstanding Balances	
Debtors and Advances	
Holding Company	6,616
Fellow Subsidiaries	
- ABB Contracting Company Ltd., Riyadh, Saudi Arabia	548,269
- ABB LLC, Muscat, Oman	264,892
- ABB AB, Västerås, Sweden	218,977
- Other fellow subsidiaries	1,470,172
	2,502,310
Creditors for Acquisition	
Fellow Subsidiaries	
- ABB Global Industries and Services Limited, Bengaluru, India	2,303,500
Creditors	
Holding Company	142,278
Fellow Subsidiaries	
- ABB Oy, Helsinki, Finland	1,111,189
- ABB AB, Västerås, Sweden	1,006,960
- ABB Schweiz AG, Baden, Switzerland	871,763
- Other fellow subsidiaries	2,792,592
	5,782,504
x) Dividend Paid during the year	
Holding Company	292,782
Fellow Subsidiaries	25,081
xi) Remuneration to Managing Director	23,042
xii) Remuneration to Chief Financial Officer	9,213

Remuneration to directors and chief financial officer does not include Provision for Leave Encashment and Gratuity as it is provided in the books on the basis of actuarial valuation.

12. Provisions

a) Movement in provisions:

Class of Provisions	As at January 1, 2011	Additions	Amounts used	Unused amounts reversed	As at December 31, 2011
Warranties	933,662	675,810	470,817	130,397	1,008,258
Sales Tax	146,095	219,397	24,492	11,600	329,400
Litigations	56,725	2,106	1,775	-	57,056
Restructuring	1,206	-	-	1,206	-

b) Nature of provisions:

- Warranties: The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at December 31, 2011 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.
- 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.
- 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.

13. Derivative Instruments

- Forward cover for foreign currency debtors outstanding as of balance sheet date is **Rs 2,977,989 thousand**.
- Forward cover for expected future sales or highly probable forecast transaction as of balance sheet date is **Rs 3,339,859 thousand**.
- Forward cover for foreign currency creditors outstanding as of balance sheet date is **Rs 6,917,460 thousand**.
- Forward cover for expected future purchases or highly probable forecast transaction as of balance sheet date is **Rs 3,725,846 thousand**.
- Foreign currency exposure (net) that are not hedged by derivative instruments or otherwise is **Rs 835,665 thousand**.

- 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 profit and loss account and the funded status and amounts recognised in the balance sheet.

For the year ended December 31, 2011	(Rs in Thousands)	
	2011	
	Gratuity	Provident Fund
i) Change in benefit obligations		
Projected benefit obligations at beginning of the period	667,116	2,479,616
Acquired Business	29,694	-
Current Service Cost	65,235	198,401
Contribution by plan participants (employees)	-	358,213
Interest cost	58,549	210,767
Benefits paid	(82,865)	(301,578)
Actuarial loss/(gain)	26,556	(38,509)
Projected benefit obligations (PBO) at the end of the period	764,285	2,906,910
ii) Change in plan assets		
Plan assets at the beginning of the period, at fair value	594,988	2,437,876
Acquired Business	26,377	-
Contributions	111,298	522,607
Expected return on plan assets	56,575	229,355
Actuarial (loss) / gain	(3,083)	(28,472)
Benefits paid	(82,865)	(301,578)
Plan assets at the end of the period, at fair value	703,290	2,859,788
iii) Actual return on plan assets		
Expected Return on plan assets	56,575	229,355
Actuarial (loss) / gain on plan assets	(3,083)	(28,472)
Actual return on plan assets	53,492	200,883

(Rs in Thousands)

For the year ended December 31, 2011	2011	
	Gratuity	Provident Fund
iv) Present value of the defined benefit obligation	764,285	2,906,910
Plan assets at the end of the period, at fair value	703,290	2,859,788
Liability recognised in the balance sheet	60,995	47,122
v) Cost for the period		
Current Service cost	65,235	198,401
Interest cost	58,549	210,767
Expected return on plan assets	(56,575)	(229,355)
Actuarial loss / (gain)	29,639	(10,037)
Expense recognised in the statement of profit & loss	96,848	169,776
vi) Investment Details (% invested)		
GOI Securities	24.7	26.5
State Government Securities	16.1	15.2
PSU Securities	29.9	37.9
Special Deposit Scheme	19.0	7.8
Policy of Insurance	0.4	-
Others (including bank balances)	9.9	12.6
	100.0	100.0
vii) Assumptions		
Interest rate for discount - per annum	9.00%	9.00%
Estimated rate of return on plan assets - per annum	9.00%	9.00%
viii) Experience Adjustment		2011
Gratuity		
Defined Benefit Obligation		764,285
Plan Assets		703,290
Surplus / (Deficit)		(60,995)
Experience Adjustments on Plan Liabilities		53,834
Experience Adjustments on Plan Assets		3,083
Provident Fund		
Defined Benefit Obligation		2,906,910
Plan Assets		2,859,788
Surplus / (Deficit)		(47,122)
Experience Adjustments on Plan Liabilities		(37,593)
Experience Adjustments on Plan Assets		28,472

Notes :

- i) **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.
- ii) **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.
- iii) 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.
- iv) The Company expects to contribute **Rs 106,997 thousand** to Gratuity Fund and **Rs 186,754 thousand** to Provident Fund in 2012.
- v) The attrition rate for gratuity varies from 1% to 8% for various age groups.

15. The effect of the acquisition of Subsidiary Company on the financial position on the reporting date, the results before elimination for the reporting period.

	(Rs in Thousands)
Baldor Electric India Private Limited	2011
Equity Share Capital	100
Preference Share Capital	18,458
Reserves	79,422
Total Assets	326,418
Total Liabilities	228,438
Turnover	27,796
Profit before Tax	2,524
Provision for Tax	1,205
Deferred Tax	(469)
Profit after Tax	1,788
Proposed Dividend - Preference Shares	973

16. Preference shares issued by subsidiary

1,845,763 7% Redeemable Non-cumulative preference shares of Rs 10 each fully paid up with redemption period not later than 10 years from the date of allotment issued to Baldor Holdings Inc., USA.

17. Since this is the first year of Consolidated Financial Statements being prepared by the Group, the corresponding figures for the year ended December 31, 2010 are not applicable and hence not provided.

As per our report of even date

For S.R. BATLIBOI & CO.
Firm Registration Number: 301003E
Chartered Accountants

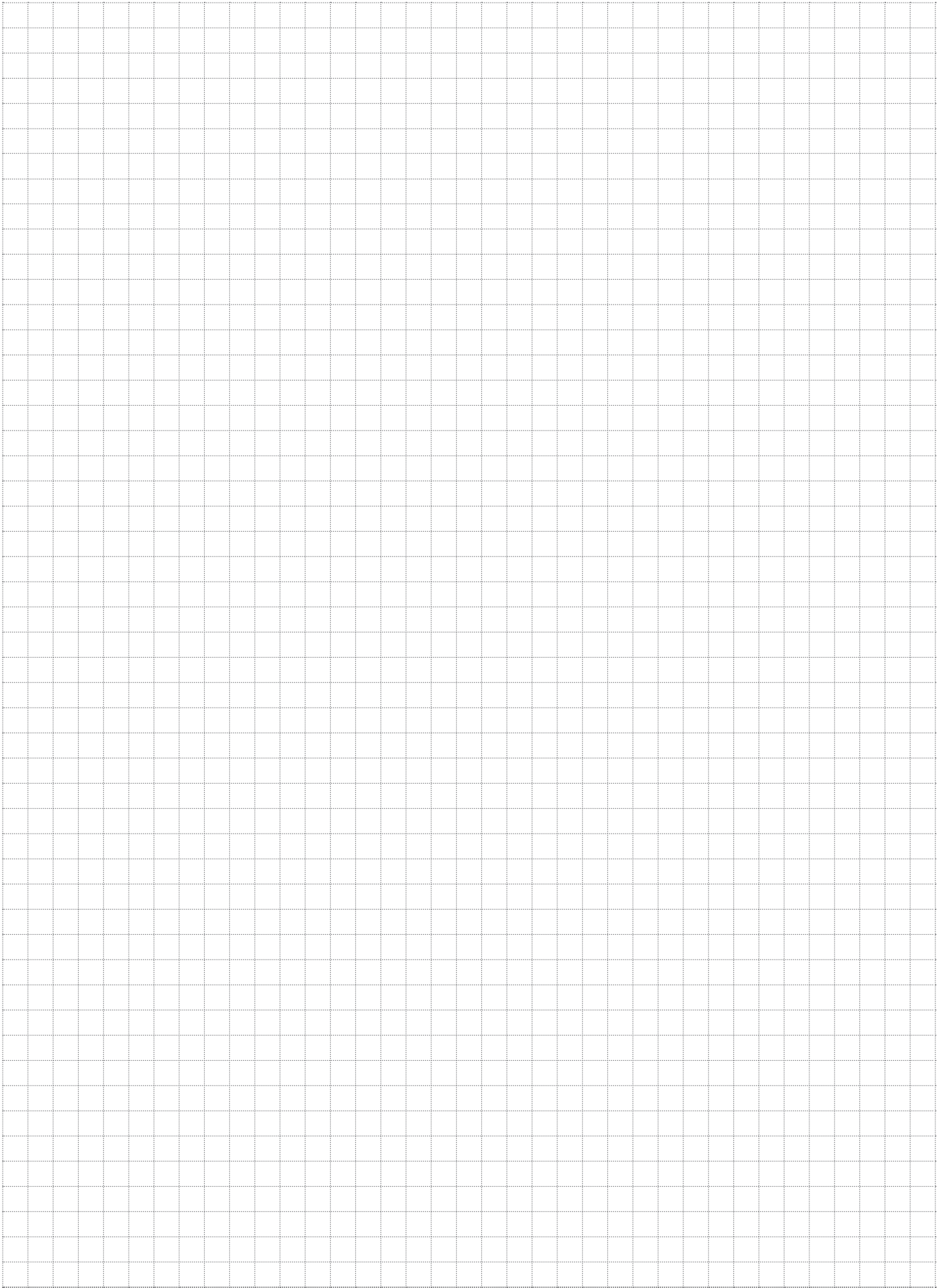
Per Navin Agrawal
Partner
Membership No.: 56102
Bengaluru, February 23, 2012

For and on behalf of the Board

Gary Steel	Chairman
Bazmi R. Husain	Managing Director
Nasser Munjee	Director
Amlan Datta Majumdar	Chief Financial Officer
B. Gururaj	Company Secretary

Bengaluru, February 23, 2012

Notes



**ATTENDANCE
SLIP****ABB Limited**

Registered Office: 2nd Floor, East Wing, Khanija Bhavan,
49, Race Course Road, Bengaluru - 560 001

DP ID	
Client ID/ Folio No.	
No. of Shares	

NAME & ADDRESS OF THE REGISTERED SHAREHOLDER

I hereby record my presence at the **SIXTY SECOND ANNUAL GENERAL MEETING** of the Company at 'Trinity Hall' Vivanta by Taj (formerly Taj Residency), 41/3 Mahatma Gandhi Road, Bengaluru – 560 001, on Thursday, May 10, 2012 at 11.00 A.M.

SIGNATURE OF THE ATTENDING MEMBER / PROXY

- Notes: 1. A Member/Proxy holder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. A Member/Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.

**PROXY
FORM****ABB Limited**

Registered Office: 2nd Floor, East Wing, Khanija Bhavan,
49, Race Course Road, Bengaluru - 560 001

I/We.....
of..... in the district ofbeing a Member /
Members of ABB Limited, hereby appointof
..... in the district ofor
failing him / her..... ofor
the district of as my/our Proxy to attend and vote for me/us on my/our behalf at the **SIXTY
SECOND ANNUAL GENERAL MEETING** of the Company at 'Trinity Hall' Vivanta by Taj (formerly Taj Residency), 41/3 Mahatma Gandhi Road,
Bengaluru – 560 001, on Thursday, May 10, 2012 at 11.00 A.M. and at any adjournment thereof.
Signed this day of2012.

DP ID	
Client ID/ Folio No.	
No. of Shares	

SIGNATURE OF MEMBER/S

Affix Re. 1/-
Revenue
Stamp

- Notes: 1. The Proxy must be returned so as to reach the Registered Office of the Company at 2nd Floor, East Wing, Khanija Bhavan, 49, Race Course, Road, Bengaluru - 560 001, not less than FOURTEENTH HOURS before the time for holding the aforesaid meeting.
2. A Proxy need not be a member of the Company.

ABB Limited

2nd Floor, East Wing
Khanija Bhavan
49, Race Course Road
Bengaluru 560 001
India
Tel: +91 80 2294 9150
Fax: +91 80 2294 9148

www.abb.co.in