

## ABB India Limited

CIN: L32202KA1949PLC032923

**Registered Office:** 21<sup>st</sup> Floor, World Trade Center, Brigade Gateway  
No.26/1, Dr. Rajkumar Road, Malleshwaram West, Bengaluru – 560055, Karnataka

**Phone:** +91 (80) 22949240, 22949150 - 54; **Fax:** +91 (80) 22949148

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### TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS

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

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

### POSTAL BALLOT AND E-VOTING

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

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# BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

CA/CAA/32/BB/2019

In the matter of the Companies Act, 2013;

**AND**

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

**AND**

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

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

**...Transferor Company/Applicant No. 1**

**AND**

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

**...Transferee Company/Applicant No. 2**

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

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

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

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

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

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

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

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

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

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

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

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

Dated at this 3rd day of July, 2019

Sd/-

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

**Registered Office:**

**ABB India Limited**

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

**Notes:**

1. Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Meeting. An equity shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy(ies) to attend and vote instead of himself/herself and such proxies need not be an equity shareholder of the Applicant Company.
2. Proxies, to be effective shall be in the prescribed form, duly filled, stamped, signed and deposited by the person entitled to attend and vote at the said Meeting, or by his authorised representative, not less than 48 (forty eight) hours before the commencement of the Meeting at the registered office of the Applicant Company. The form of proxy can be obtained free of charge at the registered office of the Applicant Company.
3. Pursuant to the provisions of Act and the rules thereunder, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights. An equity shareholder holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
4. All alterations made in the form of proxy should be initialed.
5. A minor cannot be appointed as a proxy.
6. The proxy of a member who is blind or incapable of writing will be accepted if such member has attached his/her signature or mark thereto in presence of a witness who has signed the proxy form and added his/her description and address provided that all insertions have been made by the witness at the request and in the presence of the member before the witness attached his/her signature or mark.
7. The proxy of a member who does not know English may be accepted if it is executed in the manner prescribed in note 6, and the witness certifies that it was explained to the member in the language known to him/her, and gives the member's name in English below the signature.
8. Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with their respective Depositories or with the Applicant Company or with the Registrar and Transfer Agents of the Applicant Company for admission to the meeting hall.
9. In case of joint holders attending the Meeting, only such joint holder whose name appears at the top in the hierarchy of names, in the register of members of the Applicant Company in respect of such joint holding, shall be entitled to vote.
10. The authorized representative of a body corporate which is a equity shareholder of the Applicant Company may attend and vote at the said Meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the said Meeting is deposited at the registered office of the Applicant Company at least 48 (forty eight) hours before the time fixed for the Meeting. Further, the authorized representative and any persons voting by proxy are requested to carry a copy of valid proof of identity at the Meeting.
11. The quorum of the Meeting shall be 50 (fifty) equity shareholders of the Applicant Company, present in person or proxy or through authorised representative, as prescribed by the NCLT vide the Order.
12. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders by permitted mode whose names appear in the register of members as on Monday, July 1, 2019 and a person who is not an equity shareholder on such date should treat the notice for information purposes only. The voting rights of an equity shareholder shall be in proportion to such equity shareholder's equity shareholding as on Monday, July 1, 2019.

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

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

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

14. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Shareholders who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Applicant Company's website ([www.abb.co.in](http://www.abb.co.in)) or seek duplicate postal ballot form from the Applicant Company or Karvy Fintech Private Limited. Members shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer on or before 5.00 pm (IST) Thursday, August 8, 2019. Any postal ballot form received after the said date and time period shall be treated as if the reply from the member has not been received.
15. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint members.
16. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed (as per the specimen signature registered with the Applicant Company and/or furnished by the Depositories) by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney ("PoA") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the postal ballot form.
17. The remote e-voting period and postal ballot period commences on Wednesday, July 10, 2019 (at 9.00 a.m. IST) and ends on Thursday, August 8, 2019 (at 5.00 p.m. IST). During this period, members of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Monday, July 1, 2019, may cast their vote by remote e-voting or postal ballot. The remote e-voting module shall be disabled by Karvy Fintech Private Limited for voting on Thursday, August 8, 2019 at 5.00 p.m. IST. Once the vote on the resolution is cast by a member, he or she will not be allowed to change it subsequently.
18. The members attending the Meeting who have not already cast their vote by remote e-voting or postal ballot shall be able to exercise their vote at the Meeting. The members who have cast their vote through remote e-voting or postal ballot prior to the Meeting may attend the Meeting but shall not cast their votes again. However, in case members cast their vote both via remote e-voting or postal ballot and voting at the Meeting, then voting through remote e-voting or postal ballot shall prevail and voting done at the Meeting shall be treated as invalid. In case members have cast their vote by both e-voting and postal ballot, then voting through e-voting shall prevail.
19. The Notice convening the aforesaid Meeting will be published through advertisement in the The Hindu (Bengaluru edition) in English language and a Kannada translation thereof in Vijaya Karnataka (Bengaluru edition) indicating the day, date, place and time of the Meeting and stating that the copies of the Scheme, the Explanatory Statement required to be furnished pursuant to Sections 230 - 232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Company.

20. Mr. Pradeep B Kulkarni, Practicing Company Secretary (Membership No. F7260) has been appointed as the scrutinizer by the NCLT vide its Order dated June 27, 2019 to conduct the postal ballot and e-voting process in a fair and transparent manner. The Scrutinizer's decision on the validity of the Postal Ballot Form will be final. The Scrutinizer will submit his/ her consolidated report to the Chairperson of the meeting after scrutinizing the voting made by members, including Public Shareholders, of the Company through postal ballots, remote e-voting and voting at the meeting. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contract (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. The Scrutinizer will collate the votes downloaded from the e-voting system, votes received through Postal Ballot Form and votes polled at the meeting to declare the final result for the resolution forming part of the Notice.
21. The results, together with scrutinizer's report, will be announced on or before Saturday, August 10, 2019 and will be placed on the website of the Company at <https://new.abb.com/indian-subcontinent> and on the website of e-voting agency at <https://evoting.karvy.com> besides being communicated to the BSE Limited and National Stock Exchange of India Limited where the shares of the Applicant Company are listed.

### Voting through Electronic Means

#### 1 INSTRUCTIONS FOR MEMBERS OPTING FOR E-VOTING:

- a) In case of Members receiving the Notice by e-mail:
- i) Open your web browser during the voting period and navigate <https://evoting.karvy.com>.
  - ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	<p>For Members holding shares in Demat Form:</p> <ul style="list-style-type: none"> <li>• For NSDL: 8 Character DP ID followed by 8 Digits Client ID</li> <li>• For CDSL: 16 digits beneficiary ID</li> </ul> <p>For Members holding shares in Physical Form:</p> <ul style="list-style-type: none"> <li>• Event no. followed by Folio Number registered with the company</li> </ul>
Password	Your Unique password is printed on the Note/via email forwarded through the electronic notice
Captcha	Enter the verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) After entering these details appropriately, click on "LOGIN".
- iv) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Fintech Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- vii) If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and had cast your vote earlier for any company, then your existing login id and password are to be used.



- viii) On the voting page, you will see Resolution description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member does not want to cast, it will be treated as "ABSTAINED".
- ix) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.
- x) Corporate/Institutional Members (corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to pbk@sreedharancs.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name EVENT NO."
- b) In case of Members receiving Notice by Post:
- i) Initial Password is provided as below/at the bottom of the Postal Ballot Form.

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

- ii) Please follow all steps from Sl. No. 21(1) (a) above, to cast your vote.
- a) In case of any queries, you may refer to the "Frequently Asked Questions" (FAQs) for Members and e-voting User Manual for Members available at the Downloads section of KARVY's e-voting website: <https://evoting.karvy.com>. You can also send your queries/grievances relating to e-voting to Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 with attention to Ms. C Shobha Anand, Deputy General Manager.
- b) If you have already registered with KARVY for e-voting, you can use your existing User ID and Password for casting your vote. You can also update your mobile number and email ID in the User Profile details of the folio which may be used for sending future communication(s).
- c) The e-voting period will commence from 9.00 a.m. IST on Wednesday July 10, 2019 and end at 5.00 p.m. (IST) on Thursday, August 8, 2019. The e-voting shall be disabled by KARVY at 5.00 p.m. IST on Thursday, August 8, 2019.

**Encl: As above**

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

1. Pursuant to an order dated June 27, 2019, passed by the Bengaluru Bench of the National Company Law Tribunal (“NCLT”) in the abovementioned CA/CAA/32/BB of 2019 (“Order”), a meeting of the equity shareholders of ABB India Limited (the “Applicant Company”) is being convened at the “Aura”, Taj Yeshwantpur, Bengaluru, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022 on Friday, August 9, 2019 at 10.00 am IST (“Meeting”) for the purpose of considering, and if thought fit, approving, with or without modification, the scheme of arrangement between the Applicant Company and ABB Power Products and Systems India Limited (“APPSIL”) and their respective shareholders and creditors, pursuant to the provisions of Sections 230 - 232 of the Companies Act, 2013 (“Act”), and any other applicable provisions of the Act, as applicable (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the “Scheme”). The Scheme has been approved by the Board of Directors of the Applicant Company (“Board”) at their meeting held on March 5, 2019. A copy of the Scheme is enclosed as **Annexure I**.
2. The Scheme inter alia provides for the transfer by way of demerger of the power grids business of the Applicant Company (“Power Grids Business”) to APPSIL in consideration for issuance of equity shares by APPSIL to the shareholders of the Applicant Company, and various other matters consequential to or otherwise integrally connected with the above pursuant to the provisions of Sections 230 - 232 of the Act, and any other applicable provisions of the Act, as applicable (including any statutory modification(s) or re-enactment thereof), for the time being in force.
3. The proposed Scheme was placed before the audit committee of the Applicant Company (“Audit Committee”) at its meeting held on March 5, 2019. On the basis of its evaluation and independent judgment and consideration of the share entitlement ratio reports submitted by SRBC & Co. LLP, independent chartered accountant and B.B. & Associates, independent chartered accountant (collectively, the “Valuation Reports”) and the Fairness Opinion dated March 5, 2019 issued by ICICI Securities Limited, a SEBI Registered Merchant Banker, explaining the rationale for its opinion as to the fairness of the share entitlement ratio, the Audit Committee approved and recommended the Scheme to the Board.
4. The Board, at their meeting dated March 5, 2019, took into account the Valuation Reports and the independent recommendations of the Audit Committee and on the basis of their independent judgment, approved the Scheme.
5. In terms of the Order, the quorum for the Meeting shall be 50 (fifty) equity shareholders, present in person or through proxy or through authorised representative. In case the quorum as noted above for the Meeting is not present, then the Meeting shall be adjourned to the same day in the next week at the same time and place, or to such other date and such other time as may be directed by the NCLT, and thereafter the persons present and voting shall be deemed to constitute the quorum. In terms of the Order, the NCLT has appointed Prof. Dr. R. Venkata Rao, ex-independent director of Bharat Electronics Limited, to be the Chairperson of the Meeting.
6. The Applicant Company has filed the Scheme with the Registrar of Companies, Karnataka in Form No. GNL-1.
7. The Scheme is subject to approval by majority of persons representing three-fourth in value of the equity shareholders, of the Applicant Company, voting in person or by proxy or by remote e-voting or by postal ballot, in terms of Sections 230-232 of the Act.
8. **Details as per Rule 6(3) of the Arrangements Rules**
  - (i) Details of the order of the NCLT directing the calling, convening and conducting of the Meeting:

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

## (ii) Details of the Applicant Company and APPSIL

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

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

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

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

- (i) To carry on the business of inventor, developer, manufacturer, buyer, seller, trader, service provider, repairer, dealer, exchanger, exporter, importer, consultant, e-commerce activities or otherwise deal in all kinds of low, medium, high voltage products including electric vehicle charging infrastructure, high voltage DC (HVDC) equipment and systems, microgrids, solar inverters, modular substations, distribution automation, power protection, wiring accessories, switchgear, enclosures, cabling, sensing and control, motors, generators, drives, mechanical power transmission, industrial robots, wind and traction converters, design to optimize the productivity of industrial processes, solutions include turnkey engineering, control systems, measurement products, life cycle services, outsourced maintenance and industry specific products like electric propulsion for ships, mine hoists, turbochargers and pulp testing equipment etc., all power and automation products, systems, batteries, transformers service and software solutions across the generation, transmission and distribution, grid integration, transmission, distribution and automation solutions, renewable energy, digitalization solutions for power, industry and infrastructure segments and to carry out all activities in relation to business of power and automation generally.
- (ii) to manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of insulated cables, and wires, rubber insulated wires and cables, cab tyre sheathed wires, cables & flexibles flexible cords, cotton or silk braided, conduct wires and cables, low and high tension power cables, telegraph and telephone cables, low and high tension paper, rubber or bitumen insulated, lead covered power cables, armoured or non-armoured extra high tension, shielded and belted power cables type H, H.S.L. etc., mining shaft, submarine, and marine power cables, telephone and telegraph cables according to B.S.S. long distance cables, signalling cables, lead covered cables for house installation, accessories for power cables, lead covered cables for house installation, accessories for power cables, alplastable cables with seamless aluminium sheath covered with a second seamless skin of thermoplastic material, overhead material, bare copper, bronze, aluminium wires and cables solid or stranded for telephone, telegraph and signalling purposes, aluminium and steel cored aluminium cables for overhead lines, bare copper, and cadmium copper wire, round or grooved for tramways, trolley buses etc. (also suitable for crane operation) bare copper and aluminium bus bars, binders, and rotor bars

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

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

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

**Change of Name: Nil**

**Change of Registered Office: Nil**

**Change of objects:**

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

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

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

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

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

**Post Scheme Capital Structure:**

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

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

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

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

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

S. No.	Name of Director	Designation	Address
1.	Mr. Jean-Christophe Deslarzes DIN: 08064621	Chairman -Non-Executive - Non Independent Director	Rungelmatt3 Wollerau 8832 Switzerland
2.	Mr. Darius E Udwardia DIN: 00009755	Non-Executive - Independent Director	Empress Court M.Karve Road Churchgate Mumbai 400 020
3.	Mr. Nasser Munjee DIN: 00010180	Non-Executive - Independent Director	Benedict Villa House No.471, Saudevado Chorao Island, Tiswadi Goa 403 102
4.	Mr. Sanjeev Sharma DIN: 07362344	Managing Director	Phoenix Bangalore One, Flat No. 2141 No 1 Dr Rajkumar Road Rajajinagar Bangalore 560 010
5.	Mr. Tarak Mehta DIN: 06995639	Non-Executive - Non Independent Director	Stockenstrasse 67 Kilchberg 8802 Zurich, Switzerland
6.	Mrs. Renu Sud Karnad DIN: 00008064	Non-Executive - Independent Director	BB 14, Greater Kailash Enclave II New Delhi 110 048

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Change of name: Nil**

**Change of Registered Office: Nil**

**Change of objects: Nil**



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

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

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

**Post Scheme Capital Structure:**

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

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

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

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

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

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

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

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

- (f) As on March 31, 2019, APPSIL has no unsecured creditors.
- (g) None of the Directors, the Key Managerial Personnel (as defined under the Act and rules formed thereunder) of APPSIL and their respective Relatives (as defined under the Act and rules formed thereunder) have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Applicant Company and APPSIL, if any. APPSIL does not have any debenture trustees.
- (h) **Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Personnel, and other stakeholders:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**(d) Details of capital restructuring**

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

**(e) Details of debt restructuring**

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

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

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

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

- A. The Applicant Company has been driving industrial change as a pioneering technology leader. The Applicant Company is now taking fundamental actions to realign its business to focus, simplify and lead in digital industries for enhanced customer value and shareholder returns.
- B. These actions include the separation of the Applicant Company's portfolio of digital industries from the Applicant Company's traditional, long gestation, projects led, business of power grids, with requirements that include access to financing, by transfer of the Power Grids Business to a demerged legal entity.
- C. The simplification of the Applicant Company's business model and structure with the implementation of this new organization is expected to provide each business with full operational ownership of products, functions, R&D and territories. These actions are likely to position the Applicant Company with a leadership role in digital solutions, and evolving technologies such as artificial intelligence in India, while allowing APPSIL to independently focus on a likely leadership position in the Power Grids Business with its unique and established market dynamics.
- D. With continuous advances in technology driving an unprecedented rate of development, the Applicant Company's customers' businesses in the country are being profoundly impacted. Indian customers are looking for more complete solutions, combining the right products with leading engineering expertise and domain capability.
- E. The planning of fundamental actions whose objective is to focus, simplify and lead in digital industries is expected to allow the Applicant Company to more effectively meet customers' needs and capture market opportunities in Indian industries at an inflection point of digital transformation, with an even stronger customer proximity.
- F. The new structure with a demerged self-contained Power Grids Business is likely to help deliberate refocusing onto industrial customers. Focus on digital industries in an era of energy and fourth industrial revolution, needs to be distinguished from the slower cycle, government influenced, financing support enabled large projects of Power Grids Business.

- G. The proposed demerger is expected to assist the current power grids division to independently pursue the business excellence built over a long period in the power infrastructure with its robust and time tested business model.
  - H. In order to effect the segregation of the Power Grids Business from the other businesses of the Applicant Company, the Applicant Company has proposed to transfer the Power Grids Business to APPSIL by way of demerger in accordance with Sections 230-232 of the Act and the SEBI Scheme Circular.
  - I. In consideration of the demerger, the shareholders of the Applicant Company will receive equity shares in APPSIL, which will be listed on the stock exchanges. The shares held by the Applicant Company in APPSIL will be cancelled upon effectiveness of the Scheme.
  - J. The demerger and consequent issue of equity shares by APPSIL are proposed to allow shareholders of the Applicant Company and APPSIL and investors to invest in the distinct key businesses and allow shareholders of the Applicant Company and APPSIL unlock the value of their investments.
- (h) No investigation or proceedings have been instituted or are pending in relation to the Applicant Company and APPSIL under the Act.
- (i) The pre-Scheme and post-Scheme shareholding patterns of the Applicant Company are attached at Annexure IX.
- (j) **Details of availability of the following documents for obtaining extracts from or making or obtaining copies**

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

- A. Certified copy of the order passed by the Bengaluru Bench of the NCLT in CA/CAA/No.32/BB of 2019, dated June 27, 2019 directing the Applicant Company and APPSIL separately, to convene the respective meetings;
- B. Copy of the Scheme;
- C. Copies of the Memorandum of Association and Articles of Association of the Applicant Company and APPSIL;
- D. Share entitlement ratio reports issued by SRBC & Co. LLP, independent chartered accountant and B.B. & Associates, independent chartered accountant;
- E. Copies of the latest audited financial statements of the Applicant Company and latest unaudited financial statements of APPSIL;
- F. Register of Directors' Shareholding of the Applicant Company and APPSIL;
- G. The certificates issued by auditors of the Applicant Company and APPSIL to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;

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

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

- A. The Scheme was filed by the Applicant Company and APPSIL with the Bengaluru Bench of the NCLT on May 30, 2019 and the Bengaluru Bench of NCLT has given directions to convene Meeting vide an Order dated June 27, 2019.
- B. The Scheme is subject to approval by majority of persons representing three-fourth in value of the equity shareholders, of the Applicant Company, voting in person or by proxy or by remote e-voting or by the postal ballot, in terms of Sections 230-232 of the Act.

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

**“Definitions:**

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

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

- (a) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, foundations for civil works, buildings, warehouses, offices, etc., which immovable properties exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all documents (including panchamas, declarations, deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;
- (b) all assets, as are movable in nature and which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants) actionable claims, earnest monies, security deposits paid or deemed to have been paid and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/branches/offices undertaking the Power Grids Business in India or overseas, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees and performance guarantees;

- (c) all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, pre-qualifications, eligibility criterion, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, tax deferrals, incentives, exemptions and other benefits (in each case including the benefit of any applications made for the same), relatable to the Power Grids Business, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/issued/given by any Appropriate Authority, organizations or companies necessary for conduct of, or the activities or operations of, the Power Grids Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;
- (d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understandings, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;
- (e) all Intellectual Property (if any) owned by the Transferor which exclusively or predominantly forms part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, any rights of the Transferor to use any Intellectual Property which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business, applications (including hardware, software, licenses, source codes, para meterisation and scripts), registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same) and all such Intellectual Property rights of whatsoever description and nature which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;
- (f) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and the Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;

- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form which exclusively or predominantly form part of the Power Grids Business or which are determined by the Boards of the Transferor and Transferee as being necessary for conduct of, or the activities or operations of, the Power Grids Business;
- (h) the Demerged Liabilities;
- (i) the Transferred Employees;
- (j) all legal or other proceedings of whatsoever nature that relate to the Power Grids Business (subject to the provisions of Clause 9 and Clause 12 in relation to Tax matters); and
- (k) any assets, liabilities, agreements, undertakings, activities, operations or properties that are determined by the Boards of the Transferor and Transferee relating to or forming part of the Power Grids Business or which are necessary for conduct of, or the activities or operations of, the Power Grids Business.

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

## 16. CONSIDERATION FOR DEMERGER

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

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

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

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

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



- (a) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/trustee authorized by the Board of the Transferee in this behalf who shall hold the shares in trust on behalf of the shareholders of the Transferor entitled to fractional entitlements with the express understanding that such person shall sell the shares of the Transferee so allotted on the Stock Exchanges at such time or times and at such price or prices and to such person, as such person/trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the shareholders of the Transferor in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person authorized by the Board of the Transferee by virtue of consolidation of fractional entitlement is a fraction, it shall be rounded off to the next higher integer.
  - (b) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of the Transferor and the Transferee.
- 16.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor, the Board of the Transferor shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of equity shares in the Transferor, after the effectiveness of this Scheme.
- 16.5 Without prejudice to the generality of Clause 16.1, the Transferor and the Transferee shall, if and to the extent required, apply for and obtain any approvals from concerned Appropriate Authorities and undertake necessary compliance for the issuance and allotment of the New Equity Shares.
- 16.6 The New Equity Shares shall be issued in dematerialized form to those shareholders who hold shares of the Transferor in dematerialized form, into the account in which shares of the Transferor are held or such other account as is intimated in writing by the shareholders to the Transferor and/or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. All those shareholders who hold shares of the Transferor in physical form shall also have the option to receive the New Equity Shares, as the case may be, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Transferor and/or its registrar provided such intimation has been received by the Transferor and/or its registrar at least 30 (thirty) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Transferor in physical form 30 (thirty) days before the Record Date, then the Transferee may allot physical shares to such shareholder.
- 16.7 The New Equity Shares to be issued by the Transferee, pursuant to Clause 16 in respect of any equity shares of the Transferor which are held in abeyance under the provisions of Section 126 of the Act or which the Transferee is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Transferee.
- 16.8 Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee shall stand suitably increased consequent upon the issuance of the New Equity Shares in accordance with this Clause 16. Approval of this Scheme by the equity shareholders of the Transferee shall be deemed to be in due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the New Equity Shares as on the Record Date, as provided in this Scheme.

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

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

#### **17. CANCELLATION OF SHARE CAPITAL**

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

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

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

#### **24. CONDITIONALITY OF THE SCHEME**

This Scheme is conditional upon and subject to:

- (a) the Scheme being approved by the respective requisite majorities of the shareholders and/or creditors (wherever applicable) of the Transferor and the Transferee as required under the Act;
- (b) receipt of approvals of the relevant Stock Exchanges where the equity shares of the Transferor are listed and traded, and SEBI, in terms of paragraph 2 of SEBI Scheme Circular read with paragraph I. B (4) and I. C (2) of Annexure I to the SEBI Scheme Circular;
- (c) the receipt or waiver (where permissible) of any approvals from third parties mutually agreed by the Transferor and the Transferee as being required for completion of the Demerger;
- (d) the Scheme being sanctioned by the NCLT in terms of Sections 230-232 and other relevant provisions of the Act; and
- (e) the certified copies of the Sanction Order(s) of NCLT sanctioning this Scheme being filed with the Registrar of Companies by the Transferor and Transferee."

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

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

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

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

- (i) Scheme, enclosed as **Annexure I**;
- (ii) Share entitlement ratio reports, enclosed as **Annexures II A, II B and II C**;
- (iii) Copy of the Fairness Opinion dated March 5, 2019 issued by ICICI Securities Limited, category I Merchant Banker, Mumbai (SEBI Registration No INM000011179), a SEBI registered merchant banker, to the Applicant Company, providing its opinion on the fairness of the share entitlement ratio, as recommended in the Valuation Reports, enclosed as **Annexure III**;
- (iv) Copy of the Observation letters issued by the stock exchanges to Applicant Company, enclosed as **Annexures IV and V**;
- (v) Complaints reports submitted by the Applicant Company, enclosed as **Annexure VI**;
- (vi) Report adopted by the Board pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure VII**;
- (vii) Report adopted by the Board of Directors of APPSIL pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, enclosed as **Annexure VIII**;
- (viii) Pre-Scheme and Post-Scheme shareholding pattern, as applicable enclosed as **Annexure IX**;
- (ix) Supplementary unaudited accounting statement of Applicant Company for the three months period ending March 31, 2019, enclosed as **Annexure X**;
- (x) Abridged prospectus for APPSIL enclosed as **Annexure XI**; and
- (xi) Copies of Form GNL-1 filed by Applicant Company and APPSIL with the Registrar of Companies, Karnataka, enclosed as **Annexure XII**;

Dated at this 3rd day of July 2019

**Sd/-**

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

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