
5 March 2019

March 05, 2019

To,

The Board of Directors
ABB India Limited,
21st Floor, World Trade Center,
Brigade Gateway, No.26/1,
Dr. Rajkumar Road, Malleshwaram West,
Bengaluru - 560 055, India.

Background, Purpose and Use of this Report

We understand that the Board of Directors of ABB India Limited is considering the demerger of the "Power Grids Business" of ABB India Limited ("Transferor Company" or "ABB") into its wholly owned subsidiary, ABB Power Products and Systems India Limited ("Transferee Company") through Scheme of Arrangement ("Scheme") pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

The Scheme envisages demerger of the "Power Grids Business" of ABB ("Demerged Undertaking") into the Transferee Company as per terms and conditions more fully set forth in the Scheme to be placed before the Board for their approval.

In this connection, we have been requested by the Board of Directors of the Transferor Company to render our professional services by way of a Fairness Opinion as of date hereof, as to the fairness of the Share Entitlement Ratio provided by S R B C & CO LLP and B.B. & Associates to the Equity Shareholders of the Transferor Company.

We understand, that consequent to demerger, there will be no impact on the economic beneficial interest of the shareholders of the Transferor Company.

Rationale of the Scheme

In the Rationale of the Scheme, it has been provided that, ABB is now taking fundamental actions to realign the business to focus, simplify and lead in digital businesses for enhanced customer value and shareholder returns. This involves segregation of the traditional, long gestation projects led "Power Grid Business" into the Transferee Company. The simplification of ABB's business model and structure is expected to provide each business with full operational ownership of products, functions, research and development and territories. These actions are with the intent to position ABB with a leadership role in digital solutions and evolving technologies like artificial intelligence in India, while allowing

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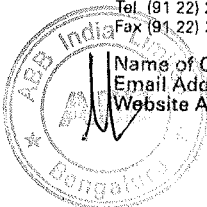
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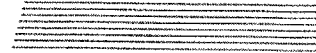
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independent focus on the leadership position of "Power Grid Business" with its unique and established market dynamics.

Proposed Share Entitlement Ratio

- Equity shareholders of Transferor Company will receive 1 (One) equity share of face value and paid-up value of Rs. 2 (Two) each of the Transferee Company credited as fully paid up be allotted for every 5 (Five) equity shares of the Transferor Company, pursuant to the Demerger.
- The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company will be listed and/ or admitted to trading on the Stock Exchanges on which shares of ABB are listed.

Limitation of Scope & Review

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our opinion and analysis is limited to the extent of review of documents as provided to us by the Transferee Company and Transferor Company, including the Share Entitlement Ratio prepared by S R B C & CO LLP, B.B. & Associates and a draft of the Scheme. In addition to the documents shared, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis. We have been represented that Transferee Company was incorporated specifically for acquiring the Power Grids Business on a going concern basis. Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Transferee Company and /or Transferor Company. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share Entitlement Ratio for the Scheme, it may not be valid for any other purpose or if provided on behalf of any other entity. In particular, we do not express any opinion as to the value of any asset of the Transferee Company and Transferor Company, whether at the current prices or in the future.

Our analysis and results are also specific to the date of this report and based on information till date hereof. This report is issued on the understanding that the Transferee Company and/or Transferor Company have drawn our attention to all the matters, which they are aware of concerning the financial position of the Transferee Company and /or Transferor Company, their businesses, and any other matter, which may have an impact on our opinion, on the Share Entitlement Ratio for the Proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the Transferee Company and/or Transferor Company or subsequently. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Transferee Company and /or Transferor Company without detailed inquiry. We have also been given to understand by the management of the respective Transferee Company and /or Transferor Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Transferee Company and /or Transferor Company and their impact on the present exercise.

We express no opinion whatever and make no recommendation at all to the Transferee Company and /or Transferor Company underlying its decision to the effect the Scheme or as to how the shareholders of equity shares or secured or unsecured creditors of the Transferee Company and /or Transferor Company should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme.

We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of Transferee Company and /or Transferor Company will trade at any time, including subsequent to the date of this opinion.

Our report is not and should not be construed as our opining or certifying the compliance of the Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Scheme.

This report is intended only for the sole use and benefit of the Board of Directors of the Transferor Company in connection with its consideration of the Scheme for the purpose of obtaining judicial and regulatory approvals and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person / party intending to provide finance/invest in the shares/business of any of the Transferee Company and /or Transferor Company or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant stock exchanges, advisors of the Transferor Company and/or Transferee Company in relation to the Scheme, as well as with the statutory authorities.

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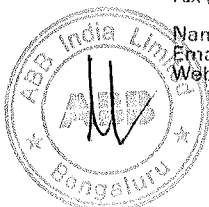
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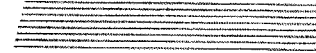
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otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

Our Recommendation

The effect of the Scheme is that each shareholder of the Transferor Company becomes the beneficial economic owner of the shares in the Transferee Company, in the same proportion, either directly, and/or in case of fractional entitlements, through a Trust mechanism, as explained in the Scheme.

Based on the above, all the current shareholders of the Transferor Company are and will, upon demerger, be the ultimate beneficial economic owners of the Transferee Company upon allotment of equity shares by the Transferee Company in the proposed Share Entitlement Ratio.

As stated in the Share Entitlement Report by S R B C & CO LLP and B.B. & Associates, they have recommended the following:

"1 (One) equity share of face value and paid-up value of Rs. 2 (Two) each of the Transferee Company credited as fully paid up be allotted for every 5 (Five) equity shares of the Transferor Company"

The aforesaid Demerger shall be pursuant to the Scheme and shall be subject to receipt of approval from National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. We have issued the Fairness Opinion with the understanding that the Scheme provided to us shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

As per the Scheme, having regard to all relevant factors and on the basis of information and explanations given to us, including the Share Entitlement Ratio Report, we are of the opinion on the date hereof, that the proposed Share Entitlement Ratio as recommended by S R B C & CO LLP and B.B. & Associates is fair to the equity shareholders of Transferor Company.

Yours faithfully,
For ICICI Securities Limited,



Deepak Nawal
Vice President



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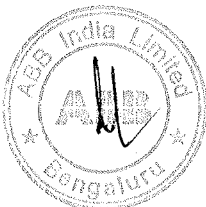
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