

# Opportunity in a world of change

## ABB Limited - Annual Report 2008

### India

Power and productivity  
for a better world™



[www.reportjunction.com](http://www.reportjunction.com)

## Contents

1	Board of Directors and Other Information
2	5 Year Highlights
7	Corporate Management Committee
11	Notice to Members
12	Directors' Report
26	Management's Discussion and Analysis
31	CEO / CFO Certification
32	Auditors' Report
36	Balance Sheet, Profit & Loss Account and Schedules
47	Notes to Accounts
65	Cash Flow Statement
67	Balance Sheet Abstract and Company's General Business Profile

# ABB Limited

## Board of Directors

Gary Steel, Chairman (w.e.f. 20.02.2009)  
Ravi Uppal, Chairman (upto 31.12.2008)  
Biplab Majumder, Vice Chairman & Managing Director  
K. Rajagopal, Whole-time Director  
N. S. Raghavan  
Nasser Munjee  
D. E. Udawadia  
Bernhard Jucker  
A. K. Dasgupta  
Peter Leupp  
Veli-Matti Reinikkala

## Company Secretary

B Gururaj

## Corporate Management Committee

Biplab Majumder  
K. Rajagopal  
I. K. Sadhu  
Madhav M. Digraskar  
N. Ravi  
S. Ramesh Shankar  
Prakash Nayak  
S. Karun  
Ranjan De  
B. Gururaj  
R. Narayanan  
N. Venu

## Bankers

ABN AMRO Bank N.V.  
Canara Bank  
Citibank N.A.  
Deutsche Bank AG  
HDFC Bank Limited  
ICICI Bank Limited  
IDBI Bank Limited  
State Bank of India  
The Hongkong & Shanghai Banking Corporation Limited  
Union Bank of India

## Auditors

S.R. Batliboi & Co.  
Chartered Accountants

## Registered Office

2nd Floor, East Wing  
Khanija Bhavan  
49, Race Course Road  
Bangalore - 560 001

## Registrar & Share Transfer Agents

Karvy Computershare Private Limited  
No. 51/2, T.K.N.Complex  
Vanivilas Road,  
Opp. National College  
Basavanagudi  
Bangalore - 560 004

# 5 Year Highlights

(Rs in Millions)

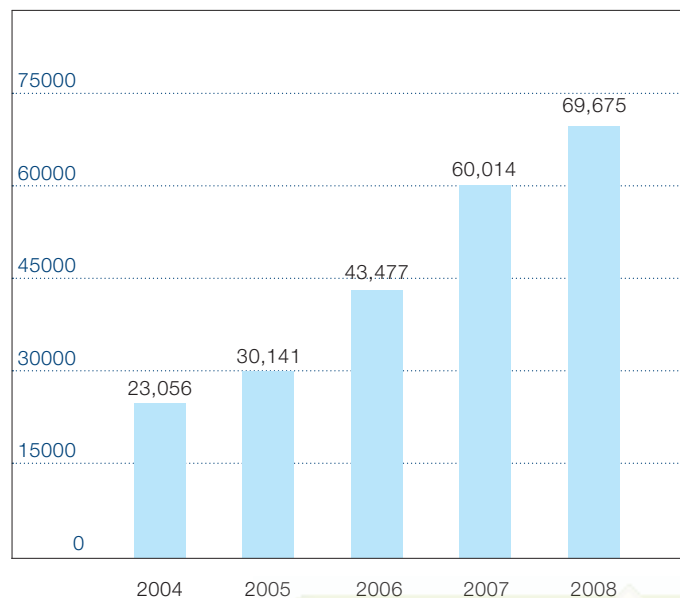
Description	2008	2007	2006	2005	2004
<b>Sources of Funds</b>					
Share Capital	423.8	423.8	423.8	423.8	423.8
Reserves	20,622.9	15,694.2	11,386.5	8,466.7	6,669.4
Net Worth	21,046.7	16,118.0	11,810.3	8,890.5	7,093.2
Borrowings	0.2	5.6	15.5	27.3	14.9
Funds Employed	21,046.9	16,123.6	11,825.8	8,917.8	7,108.1
<b>Income and Profits</b>					
Sales & Other Income	69,674.5	60,013.6	43,477.0	30,141.4	23,055.7
Operating Profit Before Interest and Depreciation	9,024.6	8,005.7	5,504.0	3,692.6	2,582.3
Profit Before Tax	8,332.4	7,564.6	5,232.1	3,394.8	2,365.2
Tax	2,858.3	2,647.9	1,829.0	1,208.0	860.0
Profit After Tax	5,474.1	4,916.7	3,403.1	2,186.8	1,505.2
Dividend / Dividend Tax	545.4	558.0	483.3	389.4	335.4
Retained Earnings	4,928.7	4,358.7	2,919.8	1,797.4	1,169.8
<b>Other Data</b>					
Gross Fixed Assets	8,838.5	6,627.1	5,190.0	4,324.4	3,428.1
Debt Equity Ratio	0.00:1	0.00:1	0.01:1	0.01:1	0.01:1
Net Worth Per Equity Share - Rs	99.3	76.1	55.7	42.0	33.5
Earnings Per Equity Share - Rs	25.8	23.2	16.1	10.3	7.1
Dividend Per Equity Share - Rs	2.2	2.2	2.0	1.6	1.4
Profit After Taxes as % to Average Net Worth	29.5	35.2	32.9	27.4	23.2

Excludes revaluation of fixed assets, revaluation reserve and exceptional items.

# 5 Year Highlights

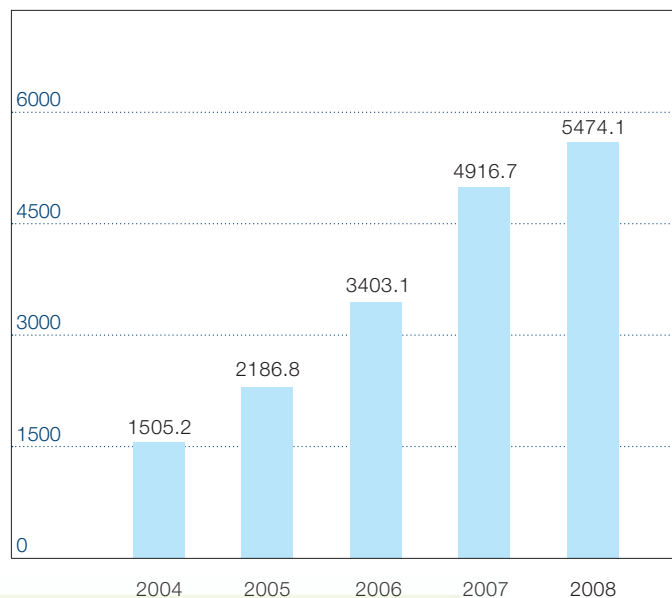
Revenues

Rs in Millions

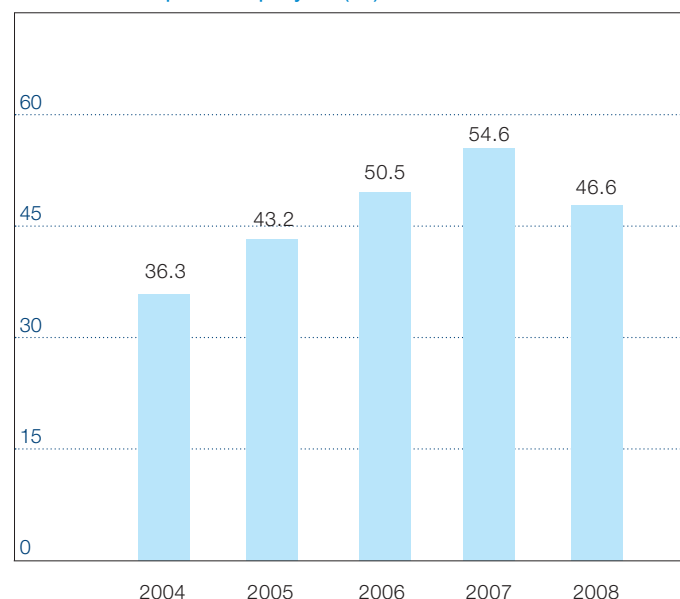


Profit After Tax

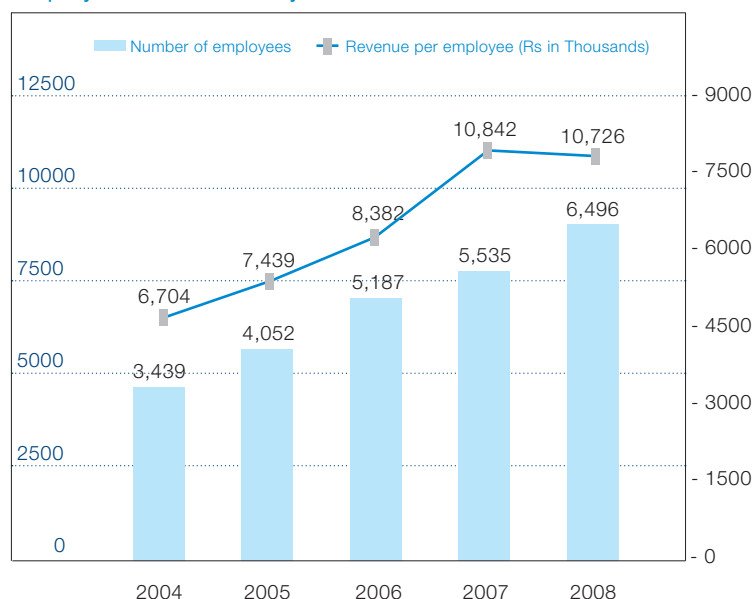
Rs in Millions



Return on Capital Employed (%)



Employees & Productivity



Excludes revaluation of fixed assets, revaluation reserve and exceptional items.





# Research and development

## Support for innovation brings advances in technology

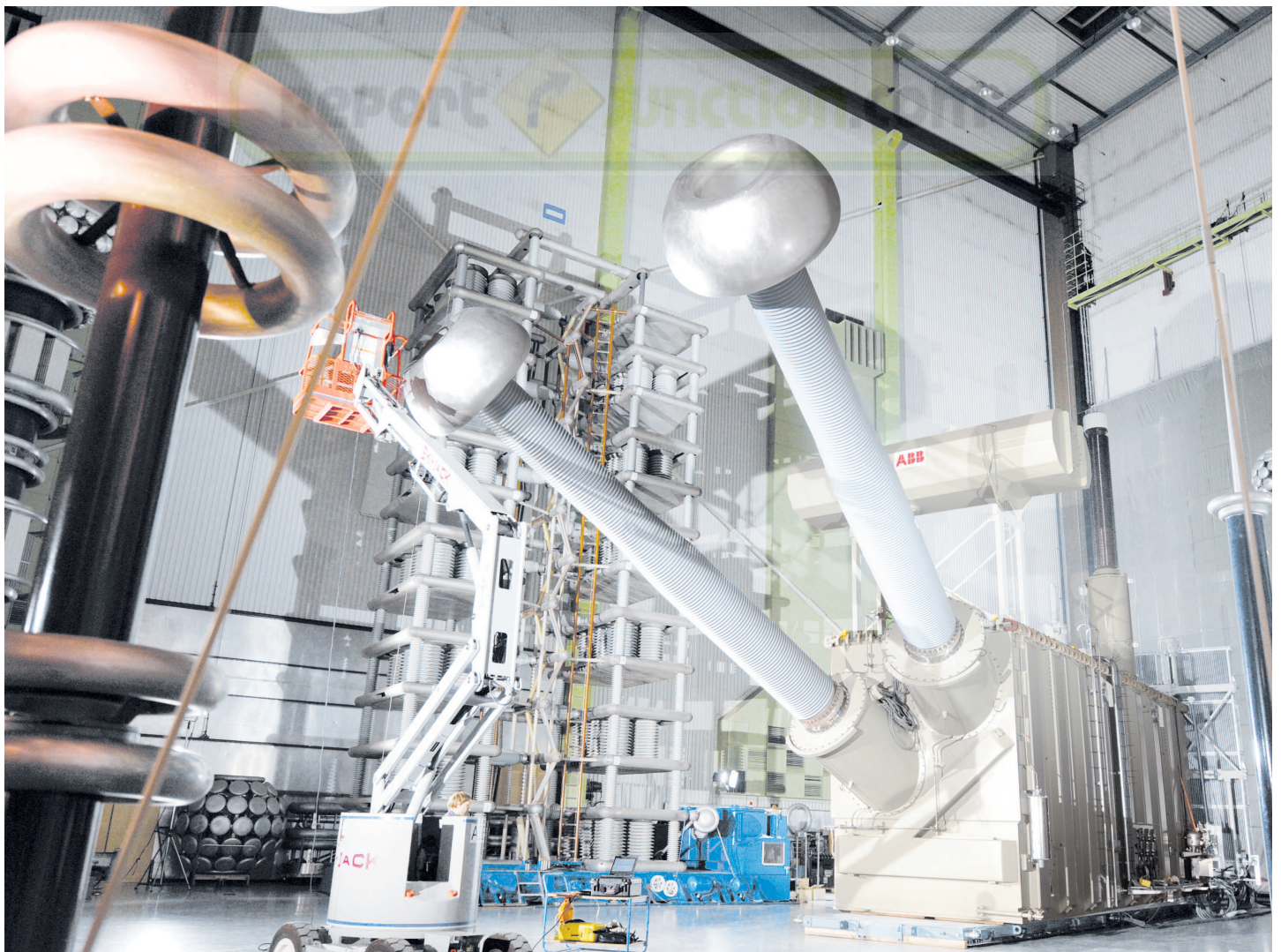
Society is facing major challenges related to dwindling natural resources and climate change. Technology breakthroughs are needed to help us tackle the issues and are a key goal of ABB's R&D program. Just as important in the short term, however, are the significant benefits that can be achieved by adapting and evolving existing technologies. Recent developments in power transmission technology, for example, have taken conventional products and systems to new dimensions to provide cost-effective solutions for the world's increasing power requirements.

Incremental improvements have also brought new benefits to users of our control platform, System 800xA. In 2008, the control and safety certification of the system was further improved, enabling customers to tailor their safety systems to specific process requirements, such as energy and/or cost efficiency, while at the same time protecting processes, personnel and the environment.

Over the years, ABB has not only pioneered many of today's power and automation technologies, but maintains a technology advantage in these areas through sustained investment in research and development.

Our R&D strategy continues to be driven by our customers' need to improve performance while minimizing cost. That means improving energy efficiency, cutting waste and providing reliable power supplies, in terms of both quantity and quality.

In 2008, we spent \$1.2 billion supporting our 6,000 researchers and developers in their efforts to develop tomorrow's power and automation solutions, efforts that will help us maintain our lead and meet our customers' needs and expectations.





## Focus on service

### Giving customers the best of ABB's expertise

ABB's vast installed base of products and systems, coupled with the depth of its technical and process expertise, makes providing service to customers a natural growth opportunity.

A top-notch service offering helps to distinguish ABB from low-cost competitors, especially in emerging markets, and can be a key buying factor for customers in all markets.

ABB life-cycle services look for opportunities within ABB's existing and newly installed base of products and systems. Service choices range from spare parts, support and maintenance to consulting, retrofits and training.

ABB Full Service offers customers long-term, performance-based contracts to maintain and improve the performance of their plants. Industries where ABB has particular expertise are targeted. By integrating consulting with our product and system offering, we can leverage ABB's broad expertise in areas like energy efficiency, productivity, reliability, security and safety, and differentiate ourselves from pure product and systems suppliers.

This strategy will provide our customers with higher-value services, and ABB with new points of entry into high-value markets.





## ABB India corporate management team

**Seated left to right:**

Ramesh Shankar, Head - Human Resources; K Rajagopal, Whole-time Director and Chief Financial Officer; Biplab Majumder, Vice Chairman and Managing Director and Head - Power Systems; Inder Sadhu, Power Systems - EBoP and Power Generation; B Gururaj, Head - Legal & Compliance and Company Secretary

**Standing left to right:**

N Venu, Head - Marketing; R Narayanan, Head - Automation Products; Prakash Nayak, Head - Corporate Research; Ranjan K De, Head - Institutional Sales; N Ravi, Head - Process Automation; Madhav Digraskar, Head - Power Products; S Karun, Head - Service and Occupational Health and Safety





# Ensuring grid reliability

## Power Products

Our Power Products division is a leading supplier of transmission and distribution products and services, serving electric, gas and water utilities, as well as industrial and commercial customers, with a broad range of products and services for power transmission and distribution. The division manufactures and sells a broad range of power products, such as high- and medium-voltage switchgear and apparatus, circuit breakers for various current and voltage levels and power and distribution transformers. The division's primary customers are utilities, distributors, wholesalers, installers and original equipment manufacturers (OEMs) in the utilities, transportation and power generation industries.

## Power Systems

Our Power Systems division is a market leader in the engineering of grid systems, power generation systems, network management solutions and substations. Power Systems deliverables include network management, utility communication, transmission and distribution substations, Flexible Alternating Current Transmission Systems (FACTS), High Voltage Direct Current (HVDC) systems and automation and electrical solutions for power plants. The division also offers automation, control and protection systems and related services for power transmission and distribution networks, power plants and water pumping stations. Our FACTS and HVDC businesses offer technologically advanced solutions designed to increase transmission capacity and stability in power networks. The division sells primarily to utilities and power generation industries.

