

# ABB looks to step up manufacturing

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Capital goods maker ABB proposes to expand the number of factories it has in India as growing public and private capital expenditure (capex) in the country pushes up demand for industrial goods.

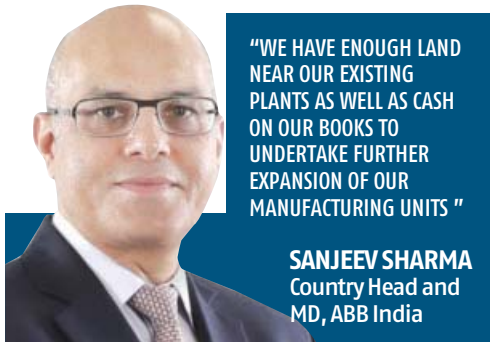
At the same time, the export market is also growing, explains ABB India's Country Head and MD Sanjeev Sharma in a conversation with *Business Standard*, prompting the move to enhance capacity, since the Indian unit of the Zurich-based multinational company caters to international markets.

ABB India derives 87 per cent of its annual turnover from the domestic market and 13 per cent from the export market. The plan is to position India as a global hub for exports as the order momentum from international markets, explains Sharma, remains high. ABB's export markets include countries in West Asia, Africa, South East Asia, South America and the US.

"At the moment, we have 27 factories in four cities in the country. This includes plants at Nashik, Vadodara, Faridabad and Bengaluru. We have enough

land near our existing plants as well as cash on our books to undertake further expansion of our manufacturing units. At least one or two more plants should come up in the near future," Sharma said without giving further details about these new units.

For the accounting year ended December 31, 2022, ABB India had a topline of ₹8,568 crore, a growth of 24 per cent versus the previous year. Net profit for the 2022 accounting year almost doubled to ₹1,026 crore from ₹532 crore reported in the previous year.



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Country Head and  
MD, ABB India

The consolidated order book of the company touched ₹10,028 crore in 2022 versus ₹7,666 crore reported in 2021, a year-on-year growth of 31 per cent. Touching the ₹10,000-crore-mark in terms of orders, explains Sharma, is significant, since the company has identified key growth segments, including transportation, data centres, electronics, warehousing and logistics, water, renewable energy, food and beverage, pharma, healthcare, and automotive among areas of focus over the last few years.

This strategy has seen ABB move away from the power grids business, both locally and internationally, following the sale of the business globally to Hitachi in July 2020. In India, ABB Power Products & Systems India, which was listed on the stock exchanges, was rebranded in 2021 as Hitachi Energy India in line with the change in ownership globally. It continues to trade on the bourses in India.

The company's cash position, according to its financial results, remains strong at ₹3,616 crore at the end of fiscal 2022 versus ₹2,688 crore at the end of 2021. This has given the company the confidence, Sharma says, to consider acquisitions with the intention of filling need gaps in its portfolio.