

ABB India Limited

Policy on Dividend distribution

As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), ABB India Limited (“**the Company**”) the Board of Directors of the Company (“**the Board**”) desires to have a Policy on Dividend Distribution (“**the Policy**”), which thrives to maximise the shareholders’ wealth. The Board believes in having a Policy which is consistent, stable and commensurate with the Company’s overall growth.

The Board is empowered to recommend interim dividend/s and/or final dividend on all the classes of shares after taking into consideration the following aspects/parameters:

- (a) performance of the Company;
- (b) overall economic and market conditions within the Country and Globally;
- (c) general sectoral and Industry trend on dividend payouts,
- (d) Company’s cash flow position;
- (e) general financial market condition; and
- (f) such other factor/s which the Board may consider necessary in arriving at the decision.

The Board shall always endeavor to capitalize on the future business opportunities and to enhance current level of performance of the Company.

The Board shall ensure that the dividend declaration and payment will be in accordance with the applicable provisions of Companies Act, 2013, Listing Regulations and rules made thereunder.

While determining the nature and quantum of the dividend payout, the Board should take into account the following factors:

Financial parameters;

- (a) Availability of cost effective external funds;
- (b) Availability of adequate profits;
- (c) Requirement of funds for future growth of Company either by way expansion or acquisition/takeover or otherwise;
- (d) Requirement of funds for working capital;
- (e) Company’s Dividend history;

External Factors;

- (a) Statutory provisions, legal requirements, restrictions /conditions imposed/laid under applicable laws.
- (b) General Market conditions;
- (c) General industry practices on Dividend;
- (d) Prevailing tax laws and any expected amendments

Internal Factors;

- (a) Company’s performance
- (b) Investments in new businesses
- (c) Objectives of the Company to maintain steady and consistent Dividend payouts

Manner of Utilisation of Retained Earnings

The Company will utilize the retained earnings for building up reserves; distribution of Dividend in accordance with this Policy; issue of bonus shares; buy back of shares; or such purpose/s which the Board of Directors of the Company may deem fit or desirable in line with Company's objectives.

Circumstances under which the shareholders may or may not expect dividend

- (a) Inadequacy of distributable profits;
- (b) Availability of opportunity for major expansions requiring internal resources;
- (c) Project/s requiring higher allocation of capital internally;
- (d) Working capital requirements adversely impacting free cash flow;
- (e) Requirement of fund/s for acquisitions, amalgamation merger, takeover or joint ventures;
- (f) Requirement of fund/s for buy-back of securities;
- (g) Requirement of funds for acquisition of technical knowhow, copy right or such other intellectual property
- (h) Requirement of fund/s for research and development activities;
- (i) Such other circumstance/s under which the Board of Directors of the Company feels it prudent not to distribute any Dividend.

Parameters with regard to various classes of shares:

Presently the Company has only one class of equity shares. As and when Company issues any other kind of share/s, this Policy will be suitably amended.

Hosting of information on the website of the Company:

This policy shall be hosted on the Company's Website and disclosed in annual report in accordance with Listing Regulations.

Amendments to Policy:

The Policy shall be reviewed from time to time as and should there be any regulatory change/s and/or amendment/s requiring modification to the Policy or otherwise as may be considered necessary. Any change to the Policy shall be carried out with the approval of the Board of Directors of the Company.

Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

This Policy has been amended by the Board at its meeting held on November 11, 2022.