



## Abbott India Limited

### Dividend Distribution Policy

#### 1. Introduction

- 1.1 This Policy has been adopted by the Board pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which necessitates top 500 listed companies to formulate Dividend Distribution Policy.
- 1.2 The purpose of this Regulation is to aid the investors in identifying stocks that match with their investment objectives.

#### 2. Objectives

- 2.1 The Company believes in maintaining consistent dividends pay-out to its shareholders while retaining the fair proportion of its earnings for business requirements and future growth.
- 2.2 This Policy discloses various factors considered by the Board of Directors of the Company while recommending Dividend to its shareholders.

#### 3. Effective Date

- 3.1 This Policy shall come into effect with immediate effect.

#### 4. Guidelines for consideration by the Board while recommending Dividend

- 4.1 Dividend (including interim) are declared in compliance with the provisions of Section 123 of the Companies Act, 2013 and Rules made thereunder and Articles of Association of the Company, as may be applicable at the time of declaration of Dividend.
- 4.2 Following factors shall be considered by the Board while recommending Dividend for any financial year:-

Internal –

- Financial performance and Net Profits after Tax;
- Position of free reserves available for distribution
- Available Cash flow for distribution;
- Extraordinary income/expenses;
- Need for ploughing back the available funds for business;
- Funds reserved for strategic investments/acquisitions;

- Plans of business expansion;
- Capital expenditure planned;
- Working capital requirements;
- Reserve required for other contingences;
- Regulatory requirements/restrictions;
- Dividend Payout ratio;
- Dividend distributed by the Company in past years;

External –

- Dividends declared by peer companies in the industry
- Dividend distribution tax
- Any other regulatory requirements/restrictions

4.3 The Board of Directors, at its discretion, may decide not to recommend any Dividends or declare lower dividend for any financial year in case -

- there is inadequacy of profits
- funds required for specific organic or inorganic growth plans
- any other extraordinary circumstances

4.4 The Board shall decide to utilise the Retained Earnings for any business purposes keeping in mind interest of shareholders and company prospects.

4.5 The Company has only one class of Equity shareholders and therefore, declared Dividends are distributed equally amongst such shareholders based on their shareholding on the record date decided for the purpose in accordance with the Articles of Association of the Company, relevant provisions of the Companies Act, 2013 and Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other relevant law for the time being in force.

## **5. Disclosures**

5.1 This Policy is required to be disclosed in the Company Annual Report as well as on its Website.

## **6. Review of the Policy**

6.1 The Board will review this Policy from time to time and make necessary revisions as and when required.

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