



DIVIDEND DISTRIBUTION POLICY



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1. Preamble

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ('**Listing Regulations**'), the Company is required to formulate a Dividend Distribution Policy.

Accordingly, the Board of Directors ('**Board**') of Lupin Limited ('**Company**') have adopted this Dividend Distribution Policy ('**Policy**') to assist the investors/shareholders in taking their investment decision and in understanding the dividend distribution framework adopted by the Company.

2. Objective

The objectives of this Policy is to lay down the broad framework for distribution of dividend or ploughing back of its profits while considering the following factors:

- i. Financial, internal and external parameters;
- ii. Circumstances under which the Company may or may not distribute dividend; and
- iii. Utilization of retained earnings of the Company.

3. Parameters to be considered for declaration of dividend

The Company shall comply with all relevant statutory requirements, including but not limited to the mandatory transfer of a portion of profits to specific reserves such as Debenture Redemption Reserve, Capital Redemption Reserve, etc., as stipulated in the Companies Act, 2013 while making decisions regarding dividend declaration or profit retention, as applicable to the Company at that point in time.

The Board shall consider the following parameters while declaring or recommending any dividend to the shareholders of the Company:

a) Financial and Internal Parameters

1. Standalone and consolidated net profit;
2. Capital expenditure requirement;
3. Working capital requirement;
4. Investment in organic and in-organic growth opportunities;
5. Cash flow required to meet contingencies;
6. Debt obligations;

7. Restrictions/covenants, if any, in any lender agreement or any other similar arrangement;
8. Buy-back of shares or any other alternate mode for distribution of profits;
9. Past dividend trends to reflect consistency in payment of dividend; and
10. Any other factor as deemed fit by the Board to reflect confidence in the Company's future performance.

b) External Parameters

1. Macro-economic conditions;
2. Industry outlook;
3. Tax implications;
4. State of the capital market; and
5. Practices adopted by the peer group companies and companies of similar profile.

4. Quantum of Dividend Pay-out

The Board after taking into consideration the above-mentioned parameters shall have its absolute discretion to declare or recommend dividend to the shareholders of the Company.

5. Circumstances under which the Shareholders may or may not expect dividend

The Company has been consistently paying dividends to its shareholders and is expected to continue doing so in accordance with this Policy. However, if the Board determines that it is not financially prudent, it may decide not to declare a dividend or to declare a lower rate of dividend after analyzing the parameters specified above.

6. Manner of utilization of Retained Earnings

Retained Earnings shall be used for growth of the business including research and development expenditure, capital expenditure and working capital requirements; organic and in-organic growth opportunities; meeting contingencies / unforeseen events; capitalization of reserves and such other usages as may be approved by the Board from time to time.

7. Parameters with regards to various classes of shares

Presently, the issued and paid-up share capital of the Company comprises of only equity shares of Rs. 2/- each. Parameters for Dividend payments in respect of any other class of shares will be as per their respective terms of issue and in accordance with the requirements specified under the Act, the Listing Regulations and any other applicable law in force.

8. Disclosure

This Policy shall be uploaded on website of the Company.

9. Review

This Policy is framed based on the provisions of the Listing Regulations. In the event of any inconsistency between the provisions of this Policy and of the Listing Regulations or any other statutory enactments, the provisions of such Listing Regulations or statutory enactments shall prevail over this Policy. Any subsequent amendment/modification in the Listing Regulations and/or other applicable laws in this regard shall mutatis mutandis apply to /prevail upon this Policy.

Document History

Approved by	Board of Directors
Version 1.0	August 09, 2016
Version 2.0	May 14, 2025