



LUPIN



Lupin Limited
**Tax
Transparency
Report**

FY 2024-2025





Contents

04	Message from the CFO	19	Consolidated Effective Tax Rate (ETR)
05	About Lupin	21	Key Financial Information and Tax Schedule for FY25
06	Our Purpose	23	Basis of Preparation
11	Global Presence	23	Looking Ahead
12	Approach to Tax	27	Annexure 1 – Glossary
18	Engagement With Tax Authorities and Advocacy	28	Annexure 2 – List of Entities as on March 31, 2025



Message from the CFO

From the CFO's Desk



Dear Stakeholders,

I take great pride in sharing Lupin's latest Tax Transparency Report for the fiscal year 2024–25. This document is a reflection of our steadfast commitment to ethical, transparent governance and responsible corporate citizenship.

Lupin lives by its purpose of catalyzing treatments that transform hope into healing and is recognized for upholding the highest standards of ethics and compliance across every aspect of our operation, including taxation. We are guided by a strong and transparent global tax policy. This report details our contribution and the guidelines we follow.

Our robust global tax policy ensures exemplary compliance across 13 countries, with over 1200 products in 100+ markets and a team of over 24,000 professionals. Our stellar financial performance in FY25 contributed significantly to our tax responsibilities. We reported INR 227,079 Mn in revenue and INR 54,792 Mn in EBITDA, achieving a healthy margin of 24.7% and a 70.8% increase in profit. This enabled us to contribute an impressive INR 12,223.3 Mn in direct and indirect taxes, reflecting our active role in supporting the economies in which we operate. We also collected and remitted INR 24,179.7 Mn in withholding tax, payroll tax, and social security contributions, which were subsequently paid to governments globally. It further underscores our role in supporting global economic stability.

Our commitment doesn't stop at financial contributions. We continue to embrace ethical tax practices that honor local laws and uphold principles of fairness and integrity. This report, aligned to international standards, including GRI 207, offers a clear, transparent view of our tax strategy, fostering trust and delivering value to stakeholders worldwide.

We ensure meaningful economic impact through disciplined financial management and purpose-driven ethical tax practices.

We are committed to fostering a culture of active listening within our organization. We encourage you to share your feedback with us at info@lupin.com, as your insights play a vital role in shaping our sustainable future.

Thank you for your ongoing trust in Lupin as we work together to create lasting value.

Sincerely,

Ramesh Swaminathan

Executive Director, Global CFO,
Head of IT and API Plus SBU

About Lupin



Dr. Desh Bandhu Gupta founded Lupin in 1968 driven by the vision of accessible quality healthcare for all. His legacy continues to be the cornerstone of our culture, fostering innovation, compassion, and meaningful impact. It defines our purpose of catalyzing treatments that transform hope into healing.

Today, Lupin is a global pharmaceutical leader with strong presence across North America, EMEA, LATAM, APAC, and India, and products distributed in over 100 markets. With a portfolio spanning generics, complex generics, specialty medicines, and biosimilars, we are committed to improving lives and expanding access to quality healthcare worldwide.

Lupin has 15 manufacturing sites, seven research centers, and a global team of over 24,000 professionals. We hold the #3 position in the U.S. in terms of total prescriptions dispensed and our U.S. business contributed to 36% of our revenues in FY25. Our India business contributed to 34% of total revenue in FY25, ranking eighth in the Indian Pharmaceutical Market.

We hold strong market leadership across key therapeutic areas, including cardiovascular, respiratory, diabetes, gastrointestinal, and women's health. Globally, Lupin is also recognized as the leading provider of anti-TB medicines, reinforcing our commitment to addressing critical public health needs.

We continue to expand our impact through high-growth adjacencies – Lupin Diagnostics, Lupin Digital Health, Lupin Life Sciences, Atharv Ability, and Lupin Manufacturing Solutions. In FY25, Lupin Diagnostics served over 150,000 patients every month. Lupin Digital Health, our digital therapeutics division, has been propelling innovation in cardiac care. Through our neurorehabilitation centre, Atharv Ability, we delivered more than 40,000 rehabilitation sessions. On the CDMO front, Lupin Manufacturing Solutions is scaling global partnerships and advancing Lupin's API and small-molecule manufacturing capabilities.

The Lupin Foundation continues to uplift over 2.02 Mn beneficiaries across 5,400+ villages through sustainable livelihood and health initiatives.

Lupin remains committed to sustainability excellence. We received an "A-" leadership rating from CDP for our outstanding performance in climate change and water security. Additionally, Lupin was included in the S&P Global Sustainability Yearbook 2025, for the second consecutive year.

At Lupin, we strive to create meaningful health outcomes while unlocking long-term value for all stakeholders. With purpose at our core and innovation as our compass, we are building a healthier future, every day for millions of patients globally.

Our Purpose

**We catalyze treatments that
transform hope into healing**



When you find your WHY, you find a WAY to make it happen. Our founder, Dr. Desh Bandhu Gupta, discovered our 'why' and established our mission — to ensure that no one is left without the quality care they deserve. Now we reaffirm, expand, and articulate this Purpose with even more clarity.

Why now? Because what we have long practiced deserves clear articulation – to give our actions meaning and guide our decisions every day.

Our purpose is rooted in three core commitments.



Relief from disease

Delivering meaningful treatments for today and tomorrow



Innovation to unlock access at scale

Making complex, cutting-edge healthcare solutions accessible to all

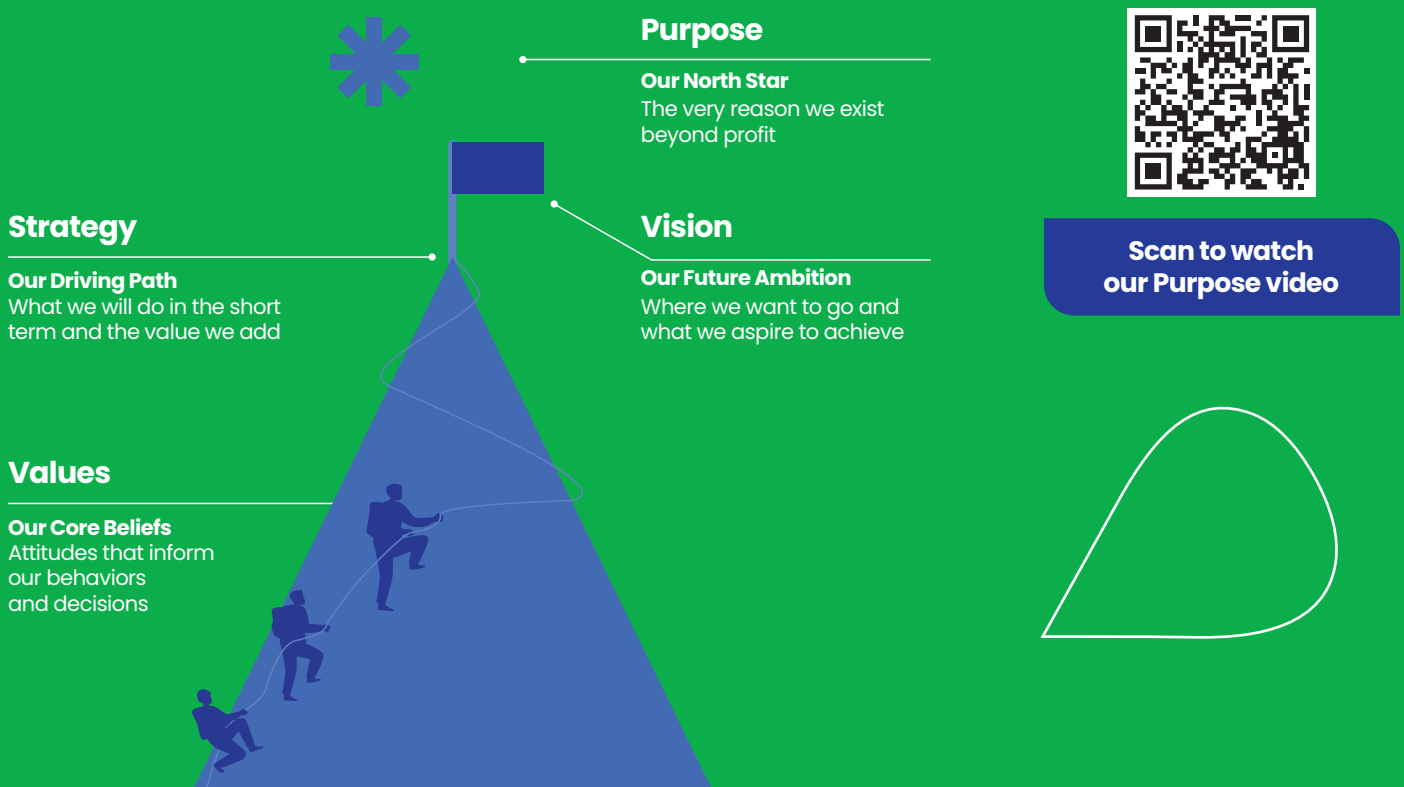


Solutions for underserved communities

Serving markets and patients overlooked by others

When you are a shareholder in Lupin, you join a purpose-driven journey of over five decades to improve lives — one patient at a time — while building sustainable, long-term value together.

As we move forward, our purpose will be the transformative force to drive meaningful change. We believe that together, we are building a company that delivers lasting value to all its stakeholders.



Our Values

Passion for Excellence

We relentlessly pursue excellence through innovation and continuous improvement in all our projects, processes, and products.

To set our standards, we benchmark with the best in the world.



Entrepreneurial Spirit

We empower our employees to generate new ideas, explore avenues, and offer solutions that add exceptional value.

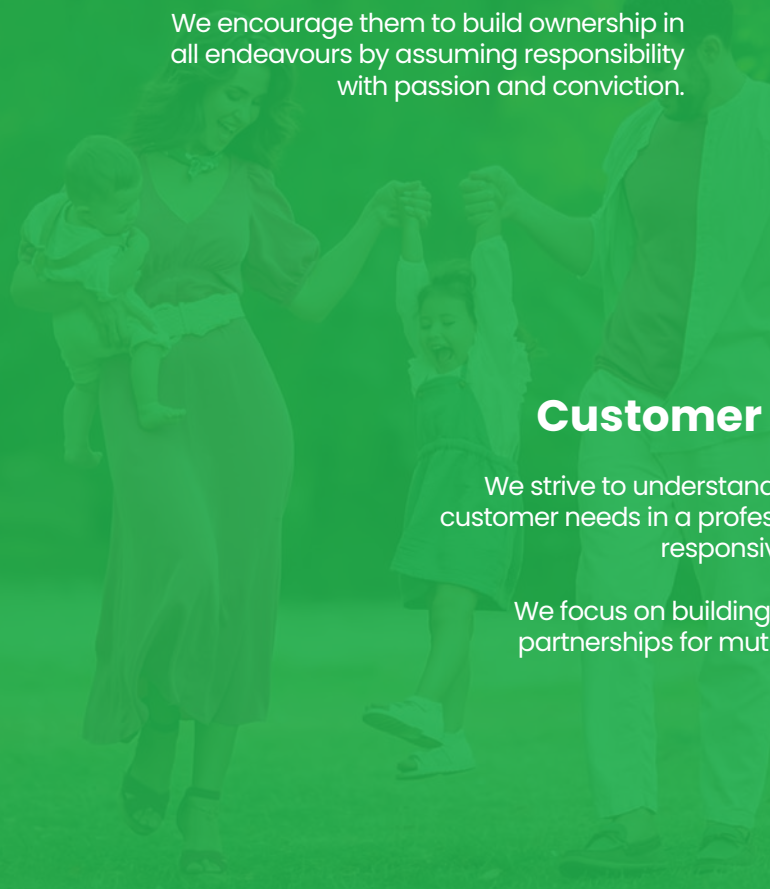
We encourage them to build ownership in all endeavours by assuming responsibility with passion and conviction.



Customer Focus

We strive to understand and meet customer needs in a professional and responsive manner.

We focus on building long-term partnerships for mutual benefit.



Integrity

We conduct ourselves with uncompromising integrity and honesty with the highest standards of ethical behavior and transparency.

Everything we do must stand public scrutiny.

Teamwork

We align the efforts and energies of our people across all levels and geographies to deliver outstanding results to our stakeholders.

We encourage diverse opinions and work together in a coordinated and mutually supportive way.

Respect and Care

We are compassionate and sensitive toward all our stakeholders and treat them the way we would expect to be treated.

We provide equal and fair opportunities for employment, learning, and career development.

Awards and Recognitions

Our actions continually earn us accolades across key areas such as innovation, employee satisfaction, quality standards, and social upliftment efforts. Some of our recent awards and accolades include:

✦ Vinita Gupta recognized among India's 100 Most Powerful Women in Business by Fortune India.

✦ Lupin scored 76 in the S&P Global ESG score – up from 69 last year.

✦ Lupin won the Champions for Excellence Award in Transfer Pricing at the 11th edition of Tax Strategy & Planning Summit & Awards 2025.

✦ Lupin placed among the top 10% of companies in our industry based on S&P Global CSA score for 2024. Earns a spot in the esteemed S&P Global Sustainability Yearbook again.

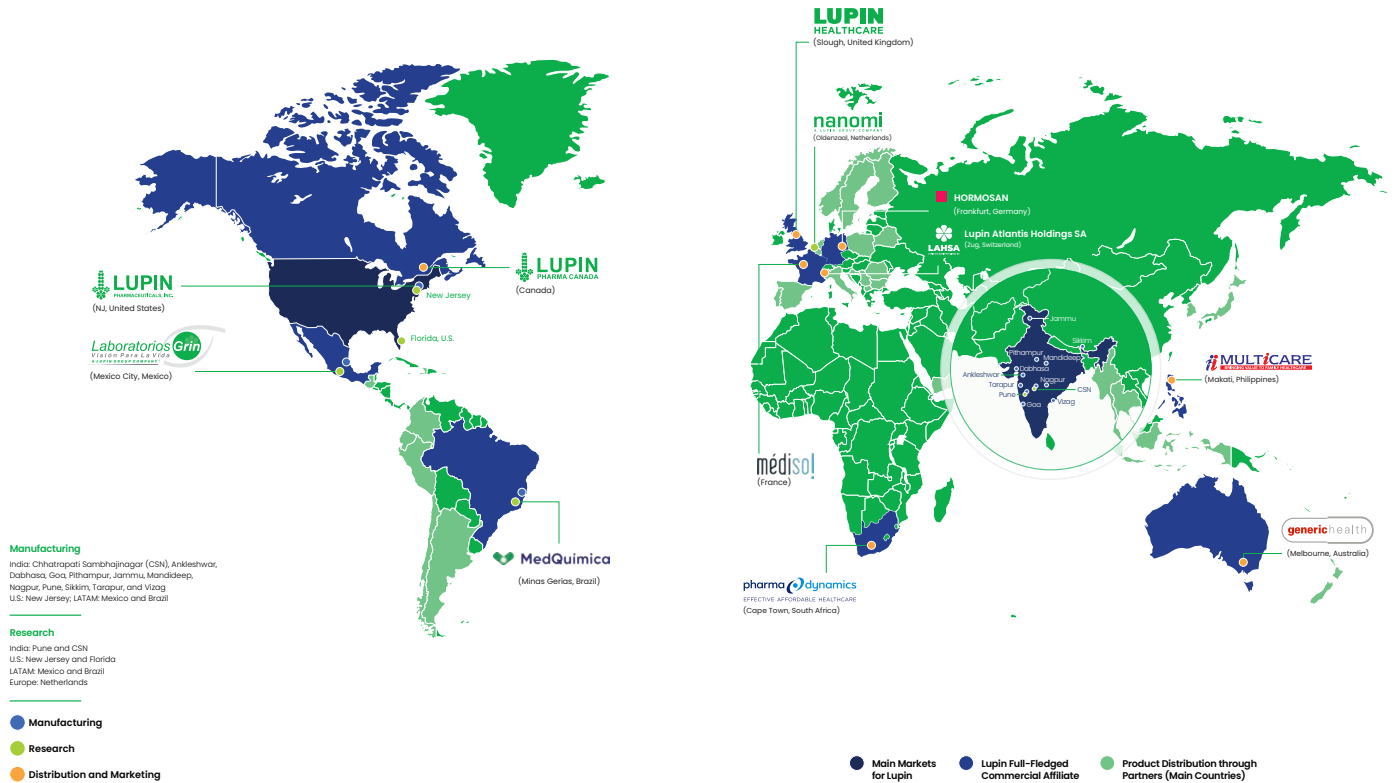
✦ Payroll team honored with the prestigious Golden Award for Excellence in Implementation & Automation.

Our actions and products stand as a testament to our commitment to our patients, the healthcare ecosystem, and the communities we serve.



Global Presence

Lupin has grown exponentially since its inception in 1968, expanding its operations across six continents, enabling the safe and reliable delivery of medicines to patients in over 100 countries.



India

Manufacturing, R&D, marketing and distribution of a wide range of branded and generic formulations, biotechnology products, and Active Pharmaceutical Ingredients (APIs) globally; contract development and manufacturing, diagnostics, digital healthcare services, neuro-rehabilitation, and other healthcare services.

Other Developed Markets

Sales, marketing, and distribution of branded and generic pharmaceuticals, and R&D of complex injectables.

North America

Manufacturing, R&D, marketing and distribution of generics, complex generics and branded pharmaceuticals.

Emerging Markets

Manufacturing, R&D, sales, marketing, and distribution of pharmaceutical products.

Approach to Tax

Purpose of this Report

The purpose of this report is to provide relevant stakeholders — including investors, policymakers, analysts, and civil society, with a clear, comprehensive, and accurate account of Lupin's approach to taxation. Through this report, we aim to demonstrate our commitment to responsible tax behavior, enhance accountability, and contribute meaningfully to the global discourse on corporate tax responsibility.

Tax Compliance and Risk Management

At Lupin, we prioritize strict adherence to tax laws and regulations, which serves as the foundation of our operations. We proactively identify and manage tax-related risks through robust internal controls and processes. These controls and processes are designed to ensure full compliance with tax requirements, including accurate record-keeping and timely reporting. To mitigate potential risks or issues, we conduct regular monitoring and reviews of our tax compliance.

Responsible Tax Planning

Lupin's tax planning approach is grounded in genuine business transactions, with a clear purpose and commercial rationale. We firmly oppose artificial tax planning and any manipulation of tax provisions for the purpose of tax evasion or aggressive tax avoidance. We strictly comply with both the spirit and letter of applicable tax laws in every country where we operate. We responsibly leverage available tax reliefs, incentives, and exemptions that align with our business goals and comply with all applicable laws and regulations. Even in jurisdictions considered as 'tax havens', our operations are driven by business considerations with appropriate commercial substance — such as expertise in research and development and business development opportunities — rather than a desire to achieve efficient effective tax rates.

Tax Impact of Sustainability-Linked Investments

Lupin continues to benefit from tax incentives related to its R&D investments in the U.S. and Netherlands, as well as area-based exemptions in India. These incentives align with national priorities for healthcare innovation and environmental responsibility.

Technology-Driven Tax Operations

Recognizing the value of technology, Lupin embraces advanced systems and processes to enhance our tax functions. We invest in cutting-edge technology, leveraging analytics and data-driven insights to support strategic decision-making, and improve the efficiency and accuracy of our tax operations. By adopting digital platforms, we streamline tax compliance processes, enabling seamless reporting and meeting deadlines. Our commitment to technological advancement includes continuous monitoring and staying abreast of evolving tax requirements and industry best practices.

Stakeholder Engagement and Collaboration

Lupin fosters open, transparent, and proactive engagement with tax authorities, regulatory bodies, and multilateral forums. We aim not only to comply, but also to contribute to evolving tax frameworks through public consultations and representation in industry coalitions such as IPA, FICCI, and CII, thereby help shaping equitable and sustainable tax systems. We actively engage with stakeholders, including tax authorities, in constructive dialogue to address tax-related matters proactively. We also engage with ESG analysts, institutional investors, and customers to enhance the transparency and relevance of our tax disclosures within the broader sustainability context. Collaboration is paramount — to ensure compliance, respond to inquiries, and resolve potential issues efficiently. Our cooperative approach aims to forge strong partnerships with tax authorities and stakeholders, contributing positively to the communities in the regions where we operate.



Tax Principles

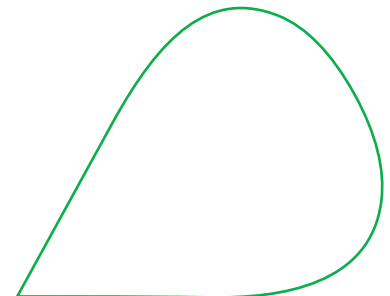
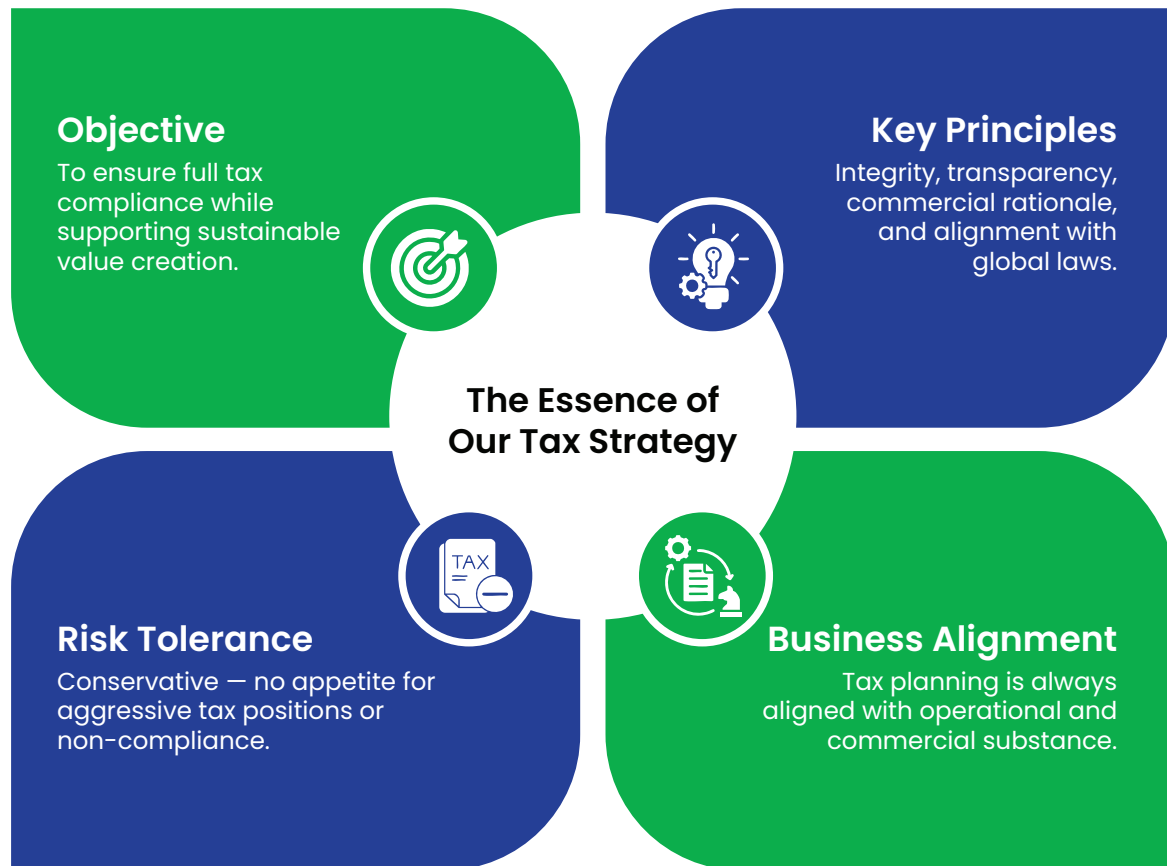
At Lupin, we uphold strict compliance with regard to our Global Tax Policy and all applicable tax laws and regulations. We prioritize transparency by providing complete and accurate information to tax authorities in a timely manner. Our Global Tax Policy is aligned with our corporate governance framework, values, and enterprise risk management. Integrity and transparency are integral to our governance practices, helping ensure the trust from all stakeholders.

The Lupin Global Tax Policy is approved by the Board of Directors. For more information, refer to [Lupin's Tax Policy document](#).

Lupin's Global Tax Policy is periodically reviewed by the Global CFO and Head of Tax, and approved by the Board of Directors. Revisions, if any, are based on legislative updates, internal risk reviews, or industry best practices.

We adhere to the arm's length standards prescribed in local transfer pricing regulations and the Organization for Economic Co-operation and Development's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (OECD TP Guidelines).

Our tax planning supports commercial activities and is aligned with our business strategy, aiming to create value for stakeholders. We do not engage in aggressive tax planning with unintended tax revenue consequences whereby the value created is transferred to low-tax jurisdictions without commercial substance. Our tax principles are fully aligned with Lupin's core values and our tax decisions reflect our core values of integrity, respect and care, customer focus, passion for excellence, entrepreneurial spirit, and teamwork.



A Responsible Corporate Entity

Our core values are deeply ingrained principles that guide us to demonstrate respect and compassion to all stakeholders, attain cohesiveness with Governments through mutual cooperation, and most importantly, drive us to act as a responsible corporate entity.

Passion for Excellence

Lupin demonstrates its commitment to excellence by formulating detailed SOPs, implementing a robust risk-based tax framework, and utilizing innovative tax automation solutions.

Integrity

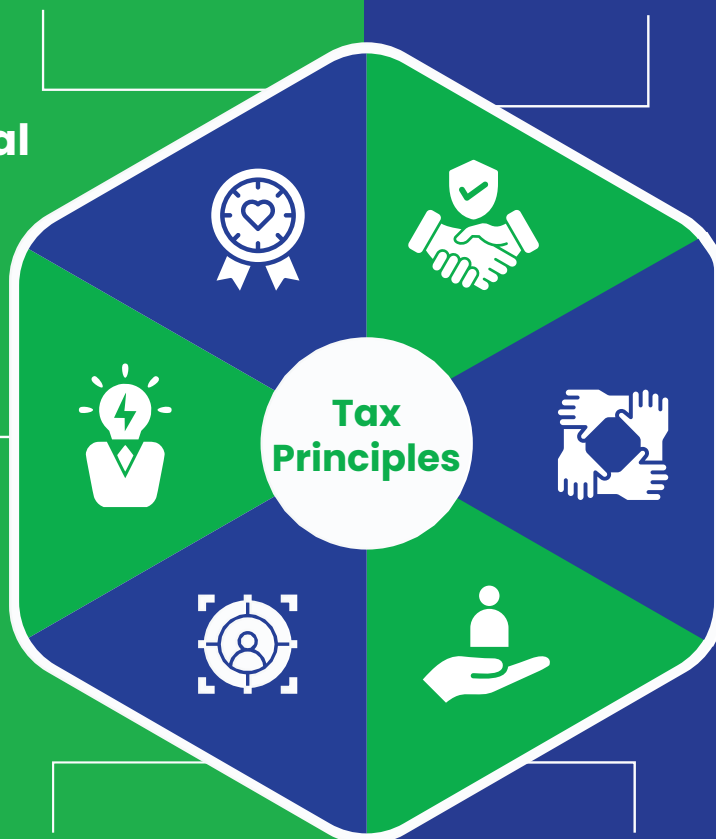
Lupin upholds tax integrity by complying with all applicable laws and ensuring fair tax payment and collection within prescribed timelines. Our actions align with regulatory guidelines and codes of conduct.

Entrepreneurial Spirit

Lupin embraces a dynamic and innovative approach to business decision making, ensuring that tax considerations and incentives align with substance and value creation. We prioritize strategies that drive tangible outcomes and create value for our stakeholders.

Teamwork

At Lupin, we foster a collaborative environment and invest in our people's professional and personal development, as part of building a world-class taxation team. We provide comprehensive technical and soft skill training to enhance their capabilities. By prioritizing teamwork, we empower our team members to excel and contribute to our overall success.



Customer Focus

Lupin actively engages with business teams, providing clear updates on tax regulations. We aim to enable the development of viable, tax-compliant business models that align with the ever-evolving regulatory landscape.

Respect and Care

Lupin fosters professional and transparent relationships with tax authorities, government bodies, and industry associations. We prioritize mutual trust and respect as the foundation of these partnerships.

Compliance with Laws and Regulations

At Lupin, we have implemented effective controls and governance mechanisms to ensure tax compliance. By embracing technology, we automate processes to minimize errors and reduce human intervention. Our internal audit team regularly evaluates the efficiency of our tax compliance processes. We exercise diligent and professional judgment in providing timely and adequate information to tax authorities. All our tax returns are filed within stipulated timelines.

Upholding the highest standards of integrity, Lupin emphasizes proper documentation for all transactions and tax positions. Robust internal documentation, controls, and protocols are in place to ensure timely adherence to all statutory compliances. We proactively mitigate tax risks by adopting sound technical positions in adherence to the applicable laws, supported by expert advice.

All tax positions are documented in a structured and traceable manner, backed by clearly organized tax data. Key reconciliations — such as those between tax returns, financial books, and regulatory filings — are conducted proactively to ensure the company always remains audit-ready. A robust internal control framework ensures that only eligible tax credits are claimed, with system checks in place to prevent any inadvertent errors.

- Compliance under BEPS Pillar One and Pillar Two:** The OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has developed a two-pillar solution to reform the international taxation rules and ensure that multinational enterprises pay a fair share of tax wherever they operate and generate profits in today's digitalized and globalized world economy. Pillar One, which applies to large multinationals, will reallocate certain amounts of taxable income to market jurisdictions, resulting in a change in effective tax rate and cash tax obligations, as well as a possible impact on current transfer pricing arrangements. Currently, based on the turnover threshold, Pillar One does not apply to the Lupin Group.
 Pillar Two aims to ensure that income is taxed at a minimum rate of 15% and has prescribed mechanisms to ensure fair taxation in the jurisdiction where an enterprise operates. Pillar Two legislation has been enacted in several countries — including those in Europe, as well as Australia, Canada, Brazil, Malaysia, New Zealand, and South Africa — effective FY25. There is no impact of Pillar Two regulations on Lupin Group in FY25.
- This Tax Transparency Report aligns with the disclosure requirements outlined in the Global Reporting Initiative (GRI) 207:** Tax, specifically GRI 207-1 (Approach to tax), 207-2 (Tax governance, control, and risk management), 207-3 (Stakeholder engagement and management of concerns related to tax), and 207-4 (Country-by-country reporting)

Tax Automation

In today's digital era, tax reporting processes have undergone significant digitalization, with tax administrations relying heavily on technology and data analytics. Monthly reporting requirements demand transaction-level information on a near real-time basis, emphasizing the need for prompt, granular data. Technology-driven automation in the tax function enhances efficiency and accuracy, supporting statutory compliance and optimizing resources.

Recognizing the critical role of technology in tax functions, Lupin has strategically invested in systems and processes to ensure compliance across the organization.

Under India's GST framework, exporters are eligible to claim refunds of GST paid on exported goods. To process these refunds, exporters are required to report the Shipping Bill reference—an official customs document evidencing the export—accurately in their GST returns.

Previously, this data was manually entered into Lupin's internal EXIM system, leading to delays in updating Shipping Bill details before GST return deadlines and occasional data mismatches. These issues often resulted in refund delays or rejections, negatively impacting working capital.

To address this, Lupin implemented Robotic Process Automation (RPA) to automate extraction of Shipping Bill data from standardized export invoices and integrate it directly into the GST return filing system. This initiative significantly improved data accuracy, reduced manual workload, and enhanced compliance. As a result, the average refund processing time dropped by over 50%, helping the company unlock critical working capital while ensuring GST compliance.

Related Party Transaction

Transparency and integrity are paramount in Lupin's approach to Related Party Transactions (RPT). Our self-regulated frameworks prioritize transparency, disclosures, and qualitative approval processes, in alignment with corporate governance standards. We adhere to principles of arm's length and value creation, ensuring compliance with evolving regulations.

Lupin has a Board-approved policy on related party transactions, which provides a governance and reporting framework, including provisions for material transactions. The policy is available at <https://www.lupin.com/investors/policies>.

We follow guidelines for identifying related parties and maintain proper documentation of all related party transactions, in compliance with the provisions of Section 177 and 188 of the Companies Act, 2013, read with the rules made thereunder and Regulation 23 of the Listing Regulations. Our strong governance practices ensure compliance with these guidelines and adherence to arm's length principles, as guided by OECD standards.

The international transactions of Lupin Limited with its foreign subsidiary companies have been accepted by tax authorities as being at arm's length. Similarly, the Swiss and U.S. tax authorities have endorsed the application of this principle in the transactions of Lupin Atlantis Holdings SA, Switzerland, and Lupin Pharmaceuticals Inc., U.S.A.

Key Related Party Transactions of Lupin

Sr. No.	Nature of Transaction	Key Party to the Transaction	FY25 (INR in Mn)	FY24 (INR in Mn)
1	Sale of Goods	Sale by Lupin Limited to Lupin Pharmaceuticals Inc.	44,574.3	26,590.1
2	Sale of Goods	Sale by Lupin Limited to Lupin Inc.	12,446.9	14,326.7
3	Sale of Goods	Sale by Lupin Limited to Lupin Healthcare U.K.	3,425.5	1,772.7

Related party transactions of value more than 1% of consolidated revenue from operations of FY 2025 and 2024, respectively, are considered above.

Tax Governance and Risk Management Framework

Lupin's tax governance framework is structured to ensure transparency, proactive risk management, and adherence to domestic and international tax obligations. Oversight is embedded at multiple levels of the organization, with regular evaluation and control enhancements.

Tax Governance

Lupin's robust tax governance framework ensures compliance, establishes tax SOPs, and mitigates tax risks. Transparency and integrity remain at the core of our tax governance framework. Our dedicated and qualified tax team works in close coordination with cross-functional business teams to integrate tax considerations into strategic and operational decision-making processes. We ensure adherence to the law throughout the transaction lifecycle, involving legal counsels, auditors, and consultants for complex matters.

Significant tax positions are subject to rigorous evaluation by senior management (CEO, MD, ED and CFO) and the Board, factoring in reputational, operational, and jurisdictional implications. This process includes seeking external advisory in complex cross-border, structuring matters and conducting scenario analyses to anticipate possible policy or regulatory shifts. Considering the emerging developments, we have integrated the Direct Tax and Indirect Tax departments, effective April 1, 2023, to harness the combined potential of people, processes, and technology. Further, we invest in regular training for tax professionals and cross-functional teams – covering both technical as well as soft skills – focused on the recent tax developments globally. This includes training on evolving tax regulations, continuous benchmarking against global tax compliance standards (such as OECD and GRI 207), and incorporation of international best practices across jurisdictions, delivered through a mix of internal sessions and external expert-led workshops. The tax team closely monitors the global tax developments that might be relevant to our business and appraises the impact of such developments to the senior management team. The reporting structure of the tax team is depicted below:



We received a tax demand of around USD 40 Mn, alleging that GST refunds on exports were not allowed because import duty exemptions had been availed on raw materials under a government scheme. Authorities took a view that the refund restriction would apply to the company, across all locations, even if the specific imports and exports were unrelated.

The tax team carefully studied the law, government circulars, and industry practices. They built a strong legal argument that GST registrations in different locations are treated as separate taxpayers under Indian law, and as such, availing an exemption under one GST

registration would not bar exports from another GST registration to be eligible for GST refund.

This prudent and well-reasoned argument was accepted by the tax authorities, and the demand was dropped in its entirety at the first adjudication stage itself. This insulated the company from potential years of litigation, significant blocking of funds (20% of the tax demand would have to be paid in pre-deposits to pursue litigation), and reputational risk.

This case reflects our strong tax governance framework which supports judicious, fair, and well-informed resolution of complex tax matters.

The Board assesses the outcomes of decisions, the impact on cash flows, compliance with respective tax laws, and internal tax policies.

During FY25, part of the India formulation business was carved out from the holding company to form a new wholly-owned subsidiary. Various alternative structures were discussed with top management and external consultants, and an appropriate decision to establish an optimal structure was taken, pursuant to Board approval.

Monitoring Governance Framework

At Lupin, we are firmly committed to professionalism and integrity in all our business dealings and relationships. The Lupin Code of Business Conduct and Ethics guides our ethical standards and conduct. The policy is available at <https://www.lupin.com/investors/code-of-conduct>. We encourage our employees and third parties to familiarize themselves and adhere to this policy as well as our third-party code of conduct, which is available at <https://www.lupin.com/investors/policies>.

To further reinforce our governance practices and ethical conduct, we have established P.L.E.D.G.E. (Preparing Lupin Employees to Demonstrate Corporate Governance and Ethical Conduct). This program outlines the core values, standards, and guidelines for employee conduct at work while also providing channels to report any violations, misconduct, or malpractices without fear of reprisal. Compliance with P.L.E.D.G.E is mandatory for all Lupin employees, and non-compliance may result in disciplinary actions, including termination, and potential legal consequences.

Our commitment to monitoring and maintaining a strong governance framework ensures that we foster a culture of integrity, accountability, and transparency throughout our organization.

Tax Risk Management

Our tax risk control framework identifies, assesses, and mitigates tax risks. We recognize two key drivers of tax risk:

- (a) Judgmental, relating to understanding and interpretation of tax law, manifesting as tax planning and advisory risk, and
- (b) Operational, relating to the processes, people, and systems in place to manage tax risk, manifesting as tax compliance risk.

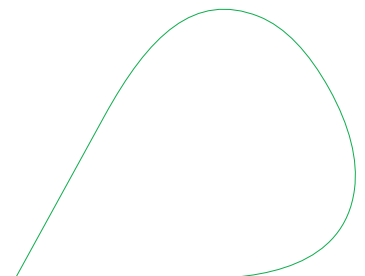
Senior management sets our tax risk appetite, considering both judgmental and operational risk aspects. We avoid speculative tax positions or those that present material tax risk. When there is material uncertainty on the tax treatment of a transaction or where the necessary expertise is unavailable within the Global Tax team, external advice is sought before any position is taken.

Our statutory auditors continually review our tax positions, highlighting potential tax risks. They examine management's judgments with respect to the probability of outflows arising from outstanding litigations after considering the status of recent tax assessments, audits and inquiries, recent judicial pronouncements, and judgments in similar matters.

We sensitize our employees about Lupin's values and ethos to ensure the effective execution of tax functions and alignment with the company's risk management framework.

We regularly review our tax processes and positions in light of legal amendments, clarifications, and court rulings, staying current with industry best practices.

Maintaining robust documentation of our tax records is crucial for steadfastness during audits and investigations. Despite challenging GST investigations during the year, we have successfully defended our tax positions and emerged unscathed.



Engagement with Tax Authorities and Advocacy

Relationship with Tax Authorities

At Lupin, we recognize tax authorities as key stakeholders and prioritize building and maintaining cooperative and constructive relationships based on trust and transparency. We engage proactively and collaboratively with tax authorities to foster positive and sustainable relationships. In the event of any disagreements, we strive to resolve issues through constructive dialogue. Wherever appropriate, we seek advance clearances from tax authorities on proposed tax treatments to proactively prevent disputes, resorting to litigation only as a last resort.

Our dedicated in-house tax team manages communications with tax authorities globally. We adopt an open and collaborative approach, providing authorities with the necessary documents and evidence to review our tax positions.

We ensure robust and proactive communication of our tax processes, fostering trust and transparency. We actively cooperate with tax officials by providing comprehensive and unambiguous documentation, streamlining the assessment process and optimizing efforts.

Advocacy and Policy Influence

At Lupin, we proactively monitor the changes in tax policies and its impact on the business and industry. When relevant, we provide valuable inputs to tax policymakers, either directly or through industry associations.

Lupin does not engage in aggressive tax lobbying. Our advocacy efforts are aligned with the company's corporate values of ethical conduct and fairness, and are focused on constructive engagement through recognized industry bodies.

Lupin's tax team actively contributes to advocacy efforts by being a part of various tax committees, including those of the Confederation of Indian Industry (CII), the Federation of Indian Chambers of Commerce & Industry (FICCI), the Merchant Chamber of Commerce, and the Indian Pharmaceutical Alliance (IPA). They provide their expertise and perspectives on tax-related matters. Lupin provides feedback on proposed tax regulations through these platforms. We support tax policy improvements that promote clarity, compliance, and alignment with business realities — without undermining revenue integrity of governments. Throughout the year, we have remained at the forefront of advocating for policy reforms and seeking necessary clarifications.



We have taken a proactive leadership role in addressing an industry-wide issue related to the reversal of GST input tax credits on the return of expired goods. The current position adopted by tax authorities is based on an ambiguous interpretation of an existing circular, which has led to inconsistent enforcement and significant financial exposure for companies across the pharmaceutical sector.

Recognizing the need for policy clarity, we engaged with senior tax consultants and initiated structured representations before government agencies and industry bodies. Our efforts are aimed at seeking appropriate clarification from the authorities.

Consolidated Effective Tax Rate (ETR)

Particulars	FY25 (INR in Mn)	FY24 (INR in Mn)
Consolidated Profit Before Tax before jointly controlled entity and including Exceptional Items	40,150.0	24,222.7
Current Tax Expense for the year (excluding previous year tax impacts)	10,052.2	6,343.6
Deferred Income Tax liability/(asset), net	(2,819.5)	(1,471.5)
Total Tax	7,232.7	4,872.1
Consolidated Effective Tax Rate	18.01%	20.11%

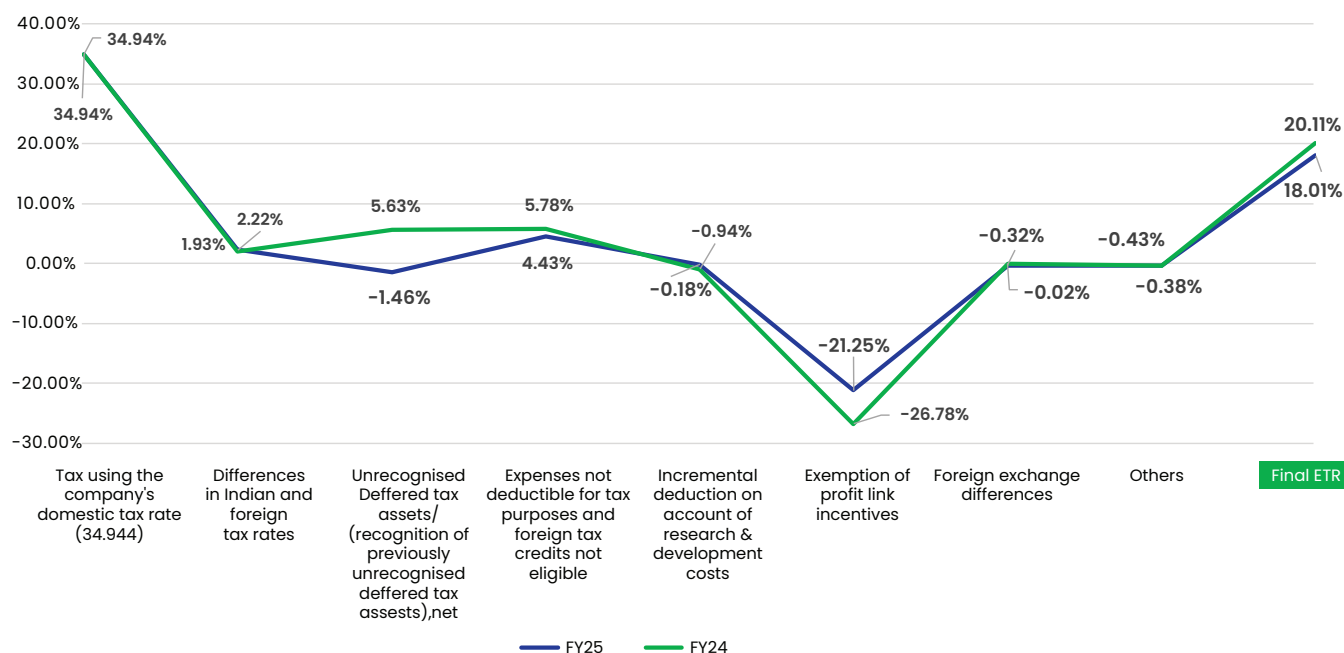
In FY25, Lupin's consolidated ETR decreased by about 2.1 percentage points compared to FY24, despite an increase in operating revenues across key jurisdictions. This decline in ETR was primarily attributable to the utilization of brought-forward tax losses and tax credits, particularly in India and the U.S., which offset the tax impact of higher earnings.

A reconciliation of the statutory tax rate of 34.944% in India and the effective tax rate of 18.01% for FY25 is provided in the Integrated

Financial Report of FY25 at Note No. 47(c) to the consolidated financial statements. The company has not opted for a lower tax regime under section 115BAA of the Income Tax Act, 1961 (India) as it is more beneficial to continue with the old regime, benefiting from various profit-linked tax deductions/exemptions.

A snapshot of the reconciliation between India's Statutory Tax rate and the consolidated ETR is provided below:

Movement of ETR from Statutory Tax Rate (34.944%)



The reasons contributing to the difference between India's Statutory Tax Rate (34.94%) and consolidated ETR (18.01% for FY25 and 20.11% for FY24) are explained hereunder-

Differences in Indian and Foreign Tax Rates

Lupin Limited and its subsidiaries operate in tax jurisdictions having statutory tax rates ranging from 12% to 34.94%. This item reflects the change in the Effective Tax Rate due to lower tax rates in different jurisdictions compared with the statutory tax rate of India (location of holding company).

Unrecognised Deferred Tax Assets/(Recognition of Previously Unrecognized Deferred Tax Assets), Net

This parameter measures the impact of deferred tax assets not recognized on losses or tax credits available to carry forward/back, netted off with utilisation of losses or tax credits on which deferred tax assets were not recognised earlier. In FY25, there is utilisation of tax losses and tax credits in jurisdictions like India and U.S., on which deferred tax asset was not recognised earlier due to low certainty of utilisation of such losses or credits. In FY24, this effect mainly included, increase in carry-forward losses in jurisdictions like the U.S., Netherlands, Brazil and India, on which Deferred Tax Asset was not created.

Expenses Not Deductible for Tax Purposes and Foreign Tax Credits Not Eligible

Various jurisdictions have specific provisions disallowing certain expense items. The tax effect of such items is captured in this particular parameter. Such expenses include the disallowance of certain expenses as per local laws, the disallowance of dividends of preference shares (U.S.), impairment of investment in a subsidiary (Netherlands), and the disallowance of non-creditable foreign tax credits, among others.

Incremental Deduction on Account of Research & Development Costs

Various tax jurisdictions provide incentives for Research & Development costs incurred during the year. In Lupin's case, this effect is related to R&D tax incentives received by U.S. subsidiary in FY25 and FY24.

Exemption of Profit Link Incentives

This effect is mainly related to the area-based tax exemptions received by Lupin Limited in India by operating manufacturing units in designated Special Economic Zones (SEZ) and the Northeastern state. In FY25 and FY24, this effect is mainly due to tax deductions received by the company for profits generated by its Sikkim manufacturing unit, Pithampur SEZ, and Nagpur SEZ manufacturing units. Lupin Limited has generated employment for about 4,288 employees (including contractual manpower) combined, in the Sikkim plant, Nagpur SEZs and Pithampur SEZs as of March 31, 2025.

Foreign Exchange Differences

This parameter measures the differences in financial reporting due to different functional currencies of subsidiary companies as compared to reporting in Indian Rupee for Consolidated Financial Statements prepared as per the Indian Accounting Standards ('IndAS').

Others:

This includes all other miscellaneous tax effects not specifically covered under the items above.



Key Financial Information and Tax Schedule

Tax Borne

(Amounts in INR Mn)

Jurisdiction	Corporate Tax (Cash Basis)	Custom Duties	Social Security Contribution (Employer Portion)	Others (e.g., Property Tax, etc.)	Total
India	8,129.4	631.0	1,360.9	24.7	10,146.0
North America	157.0	-	264.9	73.7	495.6
Other Developed Markets	581.3	40.2	327.9	12.6	962.0
Emerging Markets	293.3	12.2	301.3	12.9	619.7
TOTAL	9,161.0	683.4	2,255.0	123.9	12,223.3

Tax Collected

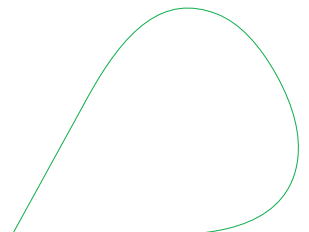
Jurisdiction	Indirect Taxes (VAT, GST Custom Duty Net of Refund)	Tax Withheld/ Collected on Behalf of Suppliers	Payroll Taxes	Social Security Contribution (Employee Portion, Professional Tax, etc.)	Total
India	11,723.5	1,944.9	2,579.6	1,359.9	17,607.9
North America	11.5	21.0	1,311.7	373.5	1,717.7
Other Developed Markets	2,764.0	2.8	446.9	176.4	3,390.1
Emerging Markets	638.6	172.4	556.3	96.7	1,464.0
TOTAL	15,137.6	2,141.1	4,894.5	2,006.5	24,179.7

Jurisdiction Wise Other Key Financial Information for FY 2024–25

Jurisdiction	Revenues – Unrelated Party	Revenues – Related Party	Revenues – Total	Profit / (Loss) before Income Tax	Income Tax Accrued – Current Year	Income Tax Paid (on a Cash Basis) **	Number of Employees
Australia	6,676.2	0.1	6,676.3	1,180.4	433.2	459.6	51
Brazil	3,583.2	-	3,583.2	(1,705.9)	-	-	440
Canada	3,977.4	389.4	4,366.8	385.9	114.3	54.1	32
France	1,006.8	-	1,006.8	83.2	68.8	28.2	5
Germany	4,817.9	347.5	5,165.4	327.3	139.3	37.9	89
India	108,856.2	70,627.3	179,483.5	45,812.4	8,610.1	8,132.3	22,018
Malaysia	0.1	-	0.1	(0.5)	-	-	-
Mexico	4,238.2	43.6	4,281.8	449.7	150.8	-	324
Nepal	-	40.4	40.4	2.0	0.5	0.6	34
Netherlands	46.7	60.0	106.7	(1,205.7)	-	-	39
New Zealand	-	-	-	(5.6)	-	-	1
Philippines	3,609.3	364.5	3,973.8	976.1	178.7	157.0	311
South Africa	7,183.7	-	7,183.7	360.1	140.9	136.3	170
Sri Lanka	-	-	-	-	-	-	-
Switzerland	3,667.0	3,321.2	6,988.2	(598.7)	4.6	10.8	16
U.K.	4,193.5	353.7	4,547.2	51.8	8.8	15.0	39
U.S.	78,668.1	2,219.3	80,887.4	3,231.6	176.2	102.9	437
Grand total	230,524.3	77,767.0	308,291.3	49,344.1	10,026.2	9,134.7	24,006

Note: **Excluding Withholding Tax on Inter-Company Dividend

Jurisdiction	Stated Capital	Accumulated Earnings	Tangible Assets other than Cash and Cash Equivalents	Business Description
Australia	1,377.6	3,364.5	1,757.5	Marketing and distribution
Brazil	5,462.5	(8,251.7)	2,369.1	Research and Development, manufacturing and sale of pharmaceuticals
Canada	155.5	434.9	1,380.3	Marketing, distribution and in-licensing of IPs
France	5.7	1,399.2	110.3	Marketing and distribution
Germany	1,233.9	1,200.1	1,233.2	Marketing and distribution
India	18,669.1	220,330.1	77,534.6	Manufacturing, R&D, distribution, and sale of pharmaceuticals, contract development and manufacturing, digital healthcare services, diagnostics services, and other health care services
Malaysia	10.5	(10.2)	-	Marketing and distribution
Mexico	906.4	2,305.2	2,321.4	Manufacturing, R&D, distribution, and sale of pharmaceuticals
Nepal	-	-	-	Marketing Services
Netherlands	60,941.2	19,644.9	348.6	Holding investments, financing, R&D, exploits IPs through contract manufacturing, and sale of pharmaceuticals
New Zealand	24.4	(5.5)	-	Marketing and distribution
Philippines	116.6	1,942.9	801.4	Marketing and distribution
South Africa	56.0	5,107.0	2,972.4	Marketing and distribution
Sri Lanka	16.8	0.3	-	Marketing and distribution
Switzerland	32,164.4	10,075.5	269.4	Owns investments and IPs, R&D, exploits IPs through contract or toll manufacturing, distribution, sales, and support services
U.K.	279.7	(1,055.9)	1,327.0	Marketing and distribution
U.S.	83,176.7	(96,414.6)	33,912.7	Owns investments and IPs, R&D, exploits IPs through contract manufacturing, marketing and distribution, and provision of management and business development support services
Grand Total	204,597.0	160,066.7	126,337.9	



Basis of Preparation

The amounts reported in the Tax Schedule are for the period from April 1, 2024 to March 31, 2025. This basis of preparation outlines the scope and procedure for collecting and reporting data on taxes borne and collected globally, along with key financial information of the Lupin Group.

All the data is reported in Indian Rupees (INR) and is rounded off to the nearest million. For the purpose of this report, the taxes paid in foreign currencies have been converted to INR at average exchange rates of FY25, as was considered for the consolidation of accounts.

The numbers reported under the Tax Schedule, are derived from individual financial statements prepared for the purpose of consolidation in accordance with the IndAS for the financial year ended March 31, 2025. If there is more than one group entity in a jurisdiction, the information has been reported on an aggregate basis at the country level.

The information on our various subsidiaries is categorized according to the geographical segments below:

- India includes information for the branch in Nepal and the subsidiary in Sri Lanka

- North America includes subsidiaries in the U.S. and Canada
- Other Developed markets includes subsidiaries in Europe, Australia, New Zealand, and liaison office in China
- Emerging markets includes subsidiaries in Philippines, Brazil, Mexico, South Africa, Malaysia, and liaison offices in Myanmar, Vietnam

The 'Global Tax & Other Contributions' in the Tax schedule have been reported on a cash basis. Our Tax Schedule has been categorized into 'Taxes Borne' and 'Taxes Collected'. 'Taxes Borne' demonstrates the cost of tax, duties, social security contributions, etc., directly borne by the Lupin Group. 'Taxes Collected' demonstrates the amount of tax, duties, social security contributions, etc., collected by the Lupin Group on behalf of others and subsequently paid to Governments.

This report is prepared by drawing guidance from the OECD BEPS Action 13 on Country-by-Country Reporting and the GRI 207: Tax standard, reflecting Lupin's commitment to international transparency norms.



Looking Ahead

At Lupin, we acknowledge the rapid evolution of the global tax landscape, shaped by growing expectations around transparency, fairness, and digitalization. In line with our broader sustainability goals, we remain committed to strong tax governance and continue to provide comprehensive disclosures through our tax transparency reports.

Definitions

a. Tax Borne

Corporate Tax (Cash Basis)



These are taxes paid by us on the taxable profits of our group operations. This includes the amounts of withholding taxes withheld by third parties while making payments to us. Since we have reported this on a cash basis, it also includes the amount of corporate tax accrued in the earlier years but paid during the year on self-assessment or assessment by the jurisdictional government. Additionally, any past year(s) tax refunds received during the year have been netted off against tax paid to reflect the actual cash tax outflow.

Custom Duties



These are duties paid on the import of goods from across the border, net of input tax claimed and borne by us.

Social Security Contribution (Employer Portion)

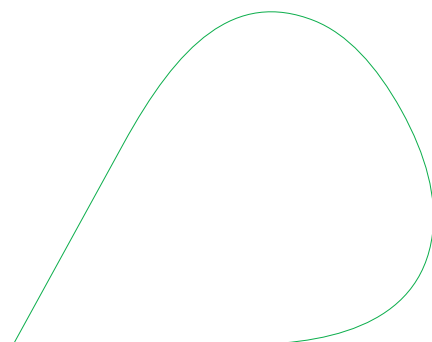


These are compulsory payments to the government that confer entitlement to future social benefits for employees. This includes contributions to funding the social security programs of the government, such as the Provident Fund (PF) or pension. However, they are in two forms, i.e., contribution by the employer and contribution by employees. The Social Security Contributions forming part of 'Taxes Borne' reflect the employer's contribution to social security funds to benefit individuals employed with us.

Others (e.g., Property Tax, Stamp Duty, etc.)



This comprises taxes/cess/charges/stamp duty paid on the property, foreign state excise taxes and other taxes/contributions borne. Property Tax is a tax paid by the landowners to the local municipal body or the government, ad valorem to the property owned by them. These reflect the taxes paid by us as a result of the occupation of land and/or property in various jurisdictions where we conduct our operations. Stamp duty is a tax imposed by the state government on the sale/transfer of property.



b. Tax Collected**Indirect Taxes (VAT, GST, Custom, etc.)**

These refer to consumption taxes like Goods and Services Tax (GST)/Value Added Tax (VAT), which are levied and collected from customers through invoices. These taxes represent the tax billed by us to customers, which were collected by us from customers and eventually paid to respective jurisdictional governments. This excludes the GST/VAT billed by us on our invoices relating to stock transfers. We also incur GST/VAT when purchasing certain goods and services. In most countries where we operate, the GST/VAT collected is offset against the GST/VAT incurred, with the net being paid to the Government. We have shown only GST/VAT collected amounts in our disclosures.

Tax Withheld/Collected on Behalf of Suppliers

These represent taxes withheld by us on vendor bill payments/taxes collectable from customers and paid/payable to the Government.

Payroll Taxes

These represent taxes withheld on salary payments to our employees and paid/payable to Governments on their behalf.

Social Security Contribution (Employee Portion: E.g., Professional Tax, etc.)

These contributions, forming part of 'Taxes Collected', represent employees' individual contributions to social security funds in accordance with the respective jurisdiction's social security laws.

Professional tax is withheld from employee remuneration and paid to the Government by the respective companies in the capacity of an employer.



c. Other Key Financial Information**Revenue**

This is represented as unrelated and related-party revenues. Unrelated revenue consists of all forms of revenue flowing from entities not controlled by us. Related-party revenues include revenue from our group companies, excluding intercompany dividends. Revenues include exchange fluctuation gain on translations.

Profit or (Loss) Before Tax

This refers to the profit or loss in a jurisdiction and is aggregated as per the financials of the entities of the respective jurisdiction, excluding intercompany dividends.

Corporate Income Taxes Accrued

This refers to the amount of corporate income tax accruing on the operations for the reporting period and excludes deferred corporate tax and uncertain tax positions.

Stated Capital and Accumulated Earnings

This refers to the amount of capital invested in group companies and the earnings accumulated from our operations. The amount of accumulated earnings includes all other reserves, distributable or non-distributable, as well as the securities premium.

Employees

This refers to the number of individuals employed with us as on 31 March 2025. This includes permanent employees only.

Tangible Assets

This includes property, plant and equipment as defined in the respective jurisdiction's accounting policies, capital work-in-process, investment properties and inventories as on March 31, 2025.

Annexure 1 – Glossary

Arm's Length Standard/Principle

Transactions should not be distorted by the special relationship between two or more associated enterprises/related parties.

Companies Act

An Act to consolidate and amend the law relating to companies enacted by the Parliament of India.

GRI Standards

GRI Sustainability Reporting Standards are designed to be used by organizations to report their impacts on the economy, the environment, and society.

Lupin Group

Lupin Limited and its affiliates are collectively referred to as Lupin Group. The list of entities in Lupin Group considered for reporting has been provided as Annexure 2.

OECD TP Guidelines

Organization for Economic Co-operation and Development (OECD) has laid Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

Related Party Transactions

As per OECD, it is defined as an arrangement for the transfer of resources, services or obligations between two parties that have a pre-existing business relationship, regardless of whether a price is charged.

Stakeholders

Any individual or group of individuals that have an interest in a company and can either affect or be affected by the business.

Subsidiary

As per Section 2(87) of the Indian Companies Act 2013, subsidiary company or subsidiary, in relation to any other company (that is to say, the holding company), means a company in which the holding company—

- i. controls the composition of the Board of Directors; or
- ii. exercises or controls more than one-half of the total share capital either on its own or together with one or more of its subsidiary companies.

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation: For the purposes of this clause, –

- a. The company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;
- b. The composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company, by the exercise of some power exercisable by it at its discretion, can appoint or remove all or a majority of the directors;
- c. The expression company includes anybody corporate; and
- d. Layer in relation to a holding company means its subsidiary or subsidiaries.

Transfer Pricing

Transfer price is a price of a transaction between associated enterprises for the transfer of physical goods and intangible property or provision of services. Transfer pricing should be based on the arm's-length principle. It ensures that profits are allocated to the countries where the relevant economic activity occurs, and value is created.





Annexure 2 – List of Entities as on March 31, 2025

Name of the Company	Country	Relation	Holding
Lupin Limited	India	Holding	–
Generic Health Pty Limited	Australia	Subsidiary	100%
Lupin Australia Pty Limited	Australia	Subsidiary	100%
Southern Cross Pharma Pty Limited	Australia	Subsidiary	100%
Medquimica Industria Farmaceutica LTDA	Brazil	Subsidiary	100%
Lupin Pharma Canada Limited	Canada	Subsidiary	100%
Medisol S.A.S (Lymed S.A.S. merged with Medisol S.A.S on July 8, 2024, w.e.f. April 1, 2024)	France	Subsidiary	100%
Hormosan Pharma GmbH	Germany	Subsidiary	100%
Lupin Europe GmbH	Germany	Subsidiary	100%
Lupin Diagnostics Limited	India	Subsidiary	100%
Lupin Biologics Limited	India	Subsidiary	100%
Lupin Digital Health Limited	India	Subsidiary	100%
Lupin Foundation [De-registered on February 07, 2025]	India	Subsidiary	100%
Lupin Life Sciences Limited	India	Subsidiary	100%
Lupin Manufacturing Solutions Limited	India	Subsidiary	100%
LupinLife Consumer Healthcare Limited (w.e.f. March 08, 2025)	India	Subsidiary	100%
Generic Health SDN. BHD.	Malaysia	Subsidiary	100%
Lupin Mexico S.A. de C.V.	Mexico	Subsidiary	100%
Laboratorios Grin, S.A. de C.V.	Mexico	Subsidiary	100%
Lupin NZ Limited (w.e.f. August 08, 2024)	New Zealand	Subsidiary	100%
Nanomi B.V.	Netherlands	Subsidiary	100%
Multicare Pharmaceuticals Philippines, Inc.	Philippines	Subsidiary	51%
Lupin Philippines, Inc.	Philippines	Subsidiary	100%
Pharma Dynamics (Proprietary) Limited	South Africa	Subsidiary	100%
Lupin Lanka (Private) Limited (w.e.f. August 05, 2024)	Sri Lanka	Subsidiary	100%
Lupin Atlantis Holdings SA	Switzerland	Subsidiary	100%
Lupin Healthcare (U.K.) Limited	U.K.	Subsidiary	100%
Lupin Inc.	U.S.	Subsidiary	100%
Lupin Pharmaceuticals, Inc.	U.S.	Subsidiary	100%
Novel Laboratories, Inc.	U.S.	Subsidiary	100%
Lupin Research, Inc.	U.S.	Subsidiary	100%
Lupin Management, Inc.	U.S.	Subsidiary	100%
Lupin Oncology, Inc.	U.S.	Subsidiary	99.87%
Avenue Coral Springs, LLC	U.S.	Subsidiary	100%





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Corporate Identity Number
L24100MH1983PLC029442



lupin.com



[linkedin.com/company/lupin](https://www.linkedin.com/company/lupin)