

DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. PREAMBLE & OBJECTIVE

The Securities and Exchange Board of India (“SEBI”) vide its Notification no. SEBI/LAD-NRO/GN/2016-17/008 dated July 08, 2016, has amended the Listing Regulations by inserting Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) mandating the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalization calculated as on March 31 of every financial year.

2. OBJECTIVE

Considering the provisions of the aforesaid Regulation 43A, the Board of Directors (the Board) recognizes the need to lay down a broad framework for considering the decisions by the Board of the Company, with regard to distribution of dividend to its shareholders.

3. EFFECTIVE DATE

This policy is effective from the date of its adoption by the Board i.e. 27th October, 2016.

4. DEFINITIONS

- a) ‘ACT’ means the companies act 2013 and rules made thereunder, including any amendments or modifications thereof.
- b) ‘Board of Directors’ or ‘Board’ means the collective body of the directors of the company.
- c) ‘Company’ means Glenmark Pharmaceuticals Limited.
- d) “Dividend” shall mean Dividend as defined under the Companies Act, 2013.
- e) ‘Policy’ means ‘Dividend Distribution Policy’.

5. GUIDELINES FOR DISTRIBUTION OF DIVIDEND

5.1 The Company shall pay dividend (including interim dividend) in compliance with the provisions of Section 123 of Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014, Listing Regulations and all other applicable laws governing dividends and the Articles of Association of the Company, as in force and as amended from time to time.

5.2 The Company shall ensure that distribution of dividend protects the rights of minority shareholders.

5.3. In case of sufficient reasonable profits, the Board may endeavor to declare dividend in the Dividend Payout Ratio mentioned in this policy. However, in case of inadequacy of profits in any

year, the Board may decide to conserve profits of the Company and may declare a lesser dividend or the Board shall not recommend dividend if it is of opinion that it is financially not prudent to do so.

5.4 The Company shall pay dividend to its shareholders after taking into consideration, the various factors as under:

5.4.1. Depending upon the performance of the Company in terms of the Consolidated net profits earned by it during any financial year and the liquidity position of the Company.

5.4.2 After taking into consideration the near term investment plans of the Company including maintenance capex and working capital need, diversification, expansion, acquisitions, etc.

5.4.3 The Board shall take into account the historical dividends payout as well as also those declared by its peers and other leading companies of similar size.

5.4.4 While the Company endeavours to conserve resources for its future growth plans, the dividend payout will be within the range of 3% - 10% of the consolidated net profit of the Company in any financial year and the said payout shall include tax on dividend as per relevant regulations. However, the Board reserves the right to declare a higher or a lower dividend based on the performance of that year and after taking into consideration other factors enumerated above.

6. AMENDMENTS

The Policy will be subject to revision/ amendment in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs, SEBI or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

7. DISCLOSURE

This Policy, shall be disclosed in the Annual Reports and hosted on the website of the Company: www.glenmarkpharma.com.
