BUILT TO GROW

LUPIN

1st

Largest Indian pharmaceutical company in the USA by prescriptions

3rd

Largest Indian pharmaceutical company

9th

Largest Japanese generic pharmaceutical company

14th

Largest generic pharmaceutical company globally

An innovation led transnational pharmaceutical company

LUPIN 2012

> USD 1.4 billion revenue

> 20% EBITDA and growing

Expanding global footprint

Market capitalization has grown 11 times in 7 years

Within reach of top 25 global pharmaceutical companies

BUILT TO GROW

Lupin was founded in 1968 with the vision to develop new drugs to combat and eradicate life-threatening diseases. To manufacture drugs of the highest social priority so as to nurture, protect and enrich our society. Embedded in Lupin was a formula for growth. Forty-four years on, what has stayed with us is that same entrepreneurial spirit, culture of creativity and innovation and pride in belonging to an industry that makes a difference in the lives of people.

We are today a fully integrated pharmaceutical company with an unrivaled position in the US, India and Japan. This position is built on a backbone of cutting-edge research, world-class manufacturing facilities and a truly global supply chain. With the building blocks in place, the future looks brighter than its ever been. We are Built to Grow.

CHAIRMAN'S MESSAGE

"Embedded in Lupin is a formula for growth which fuels creativity, performance and innovation

Dr Desh Bandhu Gupta
Founder and Chairman

BUILT TO GROW

My Dear Shareowners

When I started Lupin over 40 years ago, the dream was simple – to provide as many people as possible with affordable medicines that would address the most prevalent diseases of the highest social priority, such as tuberculosis. I discovered that by working hard on a noble ambition, growth and success followed.

Embedded in Lupin is a formula for this growth. Growth fueled by a boundless vision, the determination to succeed and reach for our dreams. These fundamental philosophies are what drive Lupin - creativity, performance and innovation.

Lupin has delivered the highest growth performance consistently over the past ten years. We expect the future to be no different and we continue to invest in new therapy areas, reach out to new territories and dive deeper into our existing markets. As we have grown as a company, we realized that our ambitions were bigger than generic products alone and that we had the means to go up the value chain into specialty products and proprietary research and development. That is the journey we are on today – to become a global specialty pharmaceutical company offering a wide portfolio of generic and proprietary products globally.

As always, it is a pleasure for me to address you and to share our results for the previous year. We have carefully put together all the pieces of our story, to be counted amongst the leading pharmaceutical companies in the world. Lupin is Built to Grow.

With Best Wishes

Dr Desh Bandhu Gupta
Founder and Chairman
Lupin Limited

CONTENTS

Shakti Chakraborty Naresh Gupta Divakar Kaza Vinod Dhawan

Ramesh Swaminathan Ms Vinita Gupta Dr Desh Bandhu Gupta Dr Kamal K Sharma Nilesh Gupta

CORPORATE INFORMATION

DIRECTORS

Dr Desh Bandhu Gupta
Chairman

Dr Kamal K Sharma
Managing Director

Mrs M D Gupta
Executive Director

Mr Nilesh Gupta
Executive Director

Ms Vinita Gupta

Dr Vijay Kelkar

Mr Richard Zahn

Mr R A Shah

Dr K U Mada

Mr D K Contractor

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr R V Satam

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

AUDIT COMMITTEE

Dr K U Mada *Chairman*

Dr Kamal K Sharma

Mr D K Contractor

INVESTORS' GRIEVANCES COMMITTEE

Mr D K Contractor *Chairman*

Dr K U Mada

REMUNERATION COMMITTEE

Dr K U Mada *Chairman*

Mr R A Shah

SOLICITORS

Crawford Bayley & Co.

BANKERS

Central Bank of India
Bank of Baroda
State Bank of India
Citibank N.A.
The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank
ICICI Bank Limited
Kotak Mahindra Bank Limited
J P Morgan Chase Bank N.A.

SENIOR MANAGEMENT TEAM

Dr Desh Bandhu Gupta
Chairman

Dr Kamal K Sharma
Managing Director

Ms Vinita Gupta
Group President & CEO - Lupin Pharmaceuticals Inc., USA

Mr Nilesh Gupta
Group President & Executive Director

Mr Shakti Chakraborty
Group President - India Region Formulations & CIS

Mr Vinod Dhawan
Group President - AAMLA & Business Development

Mr Ramesh Swaminathan
President - Finance & Planning

Dr Rajender Kamboj
President - Novel Drug Discovery & Development

Mr Naresh Gupta
President - API & Global TB

Mr Divakar Kaza
President - Human Resources

Mr Alok Ghosh
President - Technical Operations

Dr Cyrus Karkaria
President - Biotechnology

Mr Sunil Makharia
Executive Vice President - Finance

Mr Debabrata Chakravorty
Executive Vice President - Supply Planning & Strategic Sourcing

Mr Andrew Macaulay
Executive Vice President - Lupin (Europe) Ltd.

Dr Dhananjay Bakhle
Executive Vice President - Medical Research

Dr Sofia Mumtaz
Executive Vice President - IPMG

Mr Rajendra Chunodkar
Executive Vice President - Technical

Mr R S Raghav
Executive Vice President - Marketing & Sales

REGISTERED OFFICE

159, C.S.T. Road, Kalina
Santacruz (East)
Mumbai 400 098
Tel:+ 91 22 6640 2323
Fax:+ 91 22 2652 8806

CORPORATE OFFICE

Laxmi Towers, 'B' Wing
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Tel: + 91 22 6640 2222
Fax: + 91 22 6640 2130
www.lupinworld.com

E-Mail

info@lupinworld.com

BOARD OF DIRECTORS

Dr Desh Bandhu Gupta *Chairman*

Dr Kamal K Sharma *Managing Director*

Mrs M D Gupta *Executive Director*

Mr Nilesh Gupta *Executive Director*

Ms Vinita Gupta

Dr Vijay Kelkar

Mr Richard Zahn

Mr R A Shah

Dr K U Mada

Mr D K Contractor

AWARDS 2011-12

Ernst & Young Entrepreneur of the Year
Life Sciences and Health Care – Dr Desh Bandhu Gupta

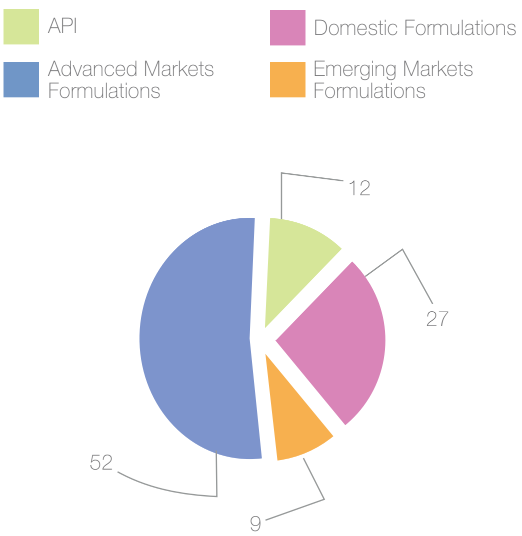
NDTV Business Leadership Awards
Pharmaceutical Company of the Year

Business Today 30 Most Powerful Women in Business
Ms Vinita Gupta

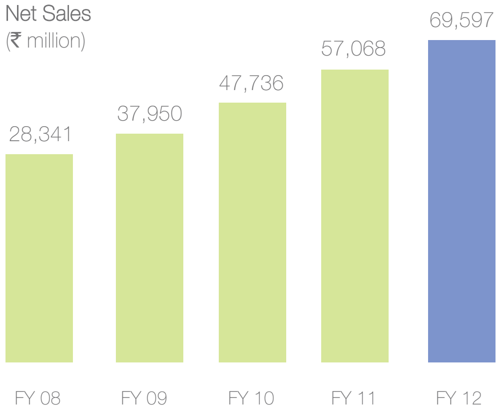
Business Today Yes Bank Best CFO Awards
Best Leverage Management – Large Companies
Mr Ramesh Swaminathan

FINANCIAL HIGHLIGHTS 2012

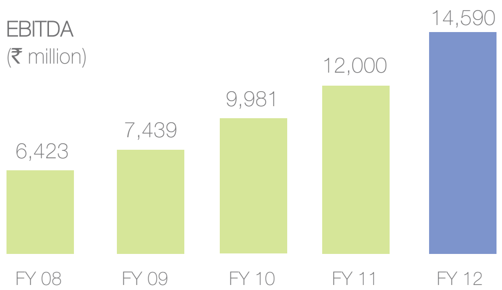
Revenue Composition (%)



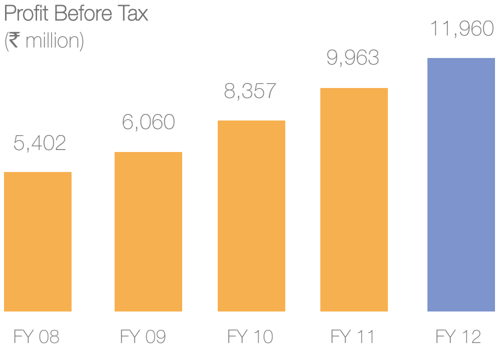
Net Sales
(₹ million)



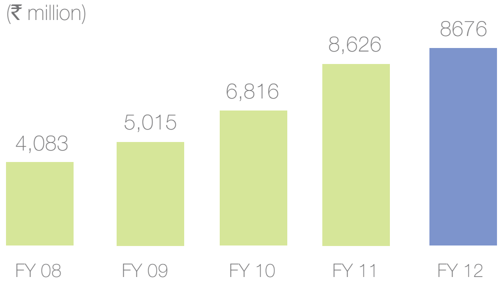
EBITDA
(₹ million)



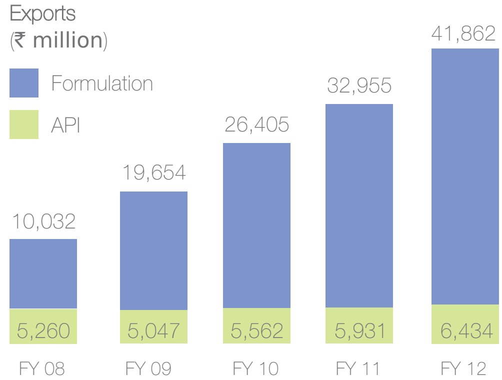
Profit Before Tax
(₹ million)



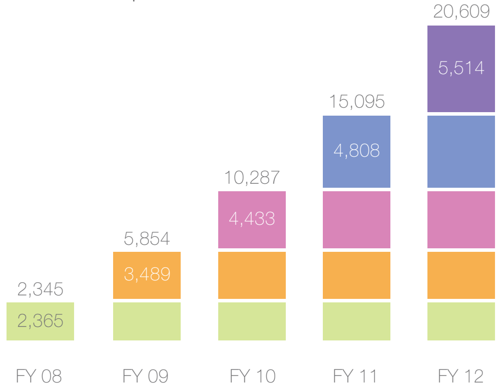
Consolidated Net Profit
(₹ million)



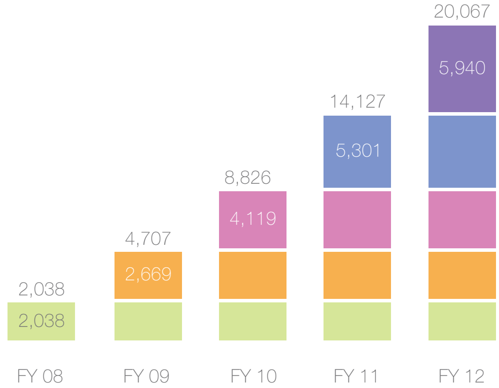
Exports
(₹ million)



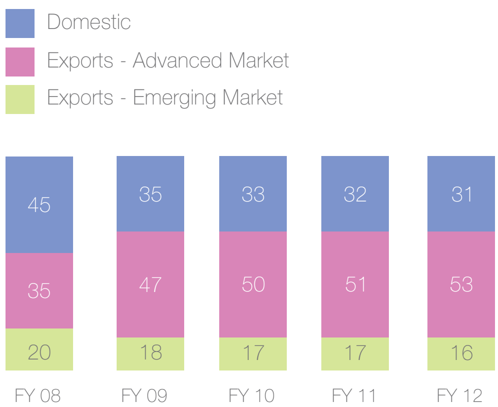
Cumulative Capex



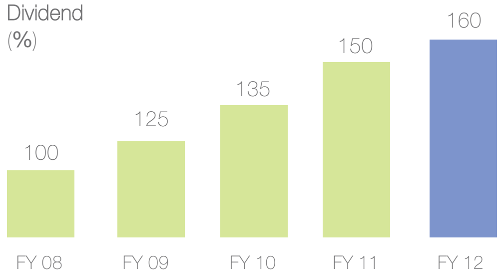
Cumulative R&D



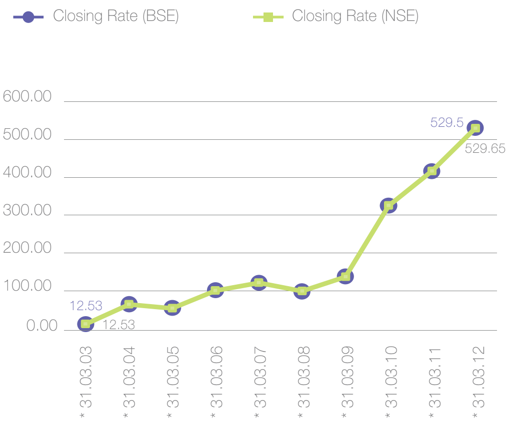
Geographic Break Down
(%) Contribution



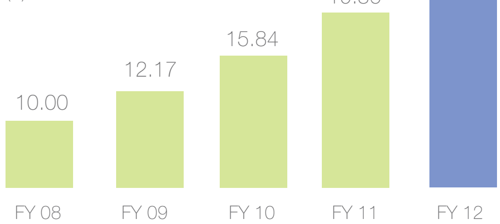
Dividend
(%)



Lupin Share price movement (₹)



Earning Per Share Basic
(₹)



MANAGING DIRECTOR'S LETTER

" Our culture drives us to reach for superior goals, higher productivity and sound business practices; this discipline has made us the 14th largest generic player in the world

Dr Kamal K Sharma
Managing Director

THE CULTURE TO GROW

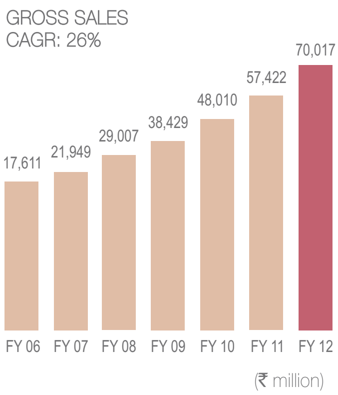
Dear Shareholders

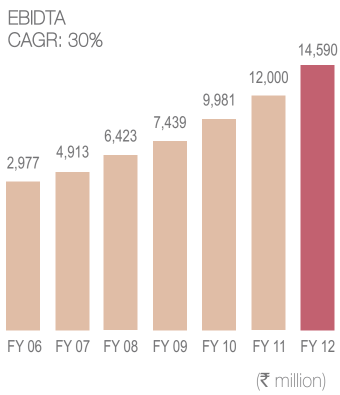
We have now recorded 7 consecutive years of consistent growth. The momentum built through this journey reassures that our businesses are on the desired track of consistent and sustainable growth. It is our culture that challenges us to reach for superior goals, higher productivity and ever more meticulous business practices.

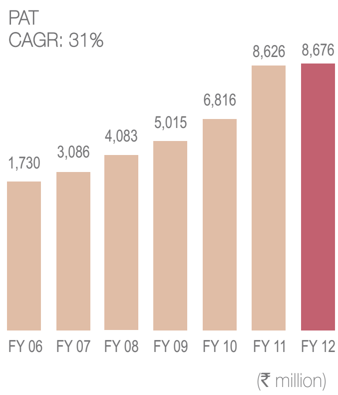
We are now the 14th largest generic pharmaceutical company in the world by market capitalization; we remain the 5th largest and fastest growing generics player in the US. Lupin is also the fastest growing of the top 10 pharmaceutical companies in India, Japan and South Africa (IMS). We have succeeded because we have worked our business to our strengths, focusing on creating opportunities; we have been brave and more often than not we have applied non-conventional approaches and walked down untried pathways. This culture has led to some of the best growth numbers in the industry; A CAGR of 26% in Gross Sales, 30% in EBITDA and 31% in Net Profits for the last 7 years.

In FY 2012, the Company's net sales grew by 22% to ₹ 69,597 million (approximately USD 1.4 billion) up from ₹ 57,068 million the previous year. EBITDA margins increased to ₹ 14,590 million from ₹ 12,000 million in FY 2011, an increase of 22%. Net profits grew by 1% to ₹ 8,676 million compared to ₹ 8,626 million in FY 2011. Our cost centres are under strong control with material costs declining by 2%; personnel costs and selling, general and administration costs increased by only 0.4% and 1% respectively in spite of significant ramp - up in hiring, as well as, increase in complexity and scope of our business operations.

Going forward I can forecast even more exciting news for Lupin with new market entries, exciting new launches and a series of strategic investments in acquisitions of platform







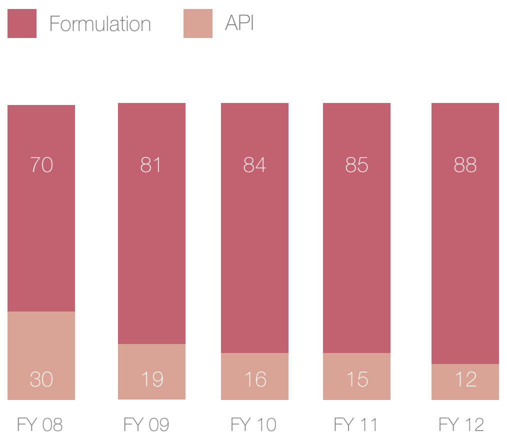
technologies. We would continue to diligently invest in expanding our manufacturing operations and infrastructure, R&D programs and more importantly, in our people to bridge capability gaps. That is the rigor that has made us one of the most exciting generic pharmaceutical companies in the world and I believe this culture will transform us into an equally exciting specialty pharmaceutical company in the times to come.

OUR MARKETS

As an emerging pharma major, we operate on a global scale either directly or through valued alliances and relationships in carefully selected markets of choice. We chose our markets and partners to optimise growth for the company as a whole, where our inherent strengths could best be leveraged for competitive advantage. To date our prime focus has been in the markets of US and Europe, India, Japan, South Africa and Phillippines. Our strategy has been to establish a solid leadership position in each of these markets. However, we remain alert to opportunities in a fast changing global pharmaceutical landscape.

Our international business increased by 24% in FY 2012 to ₹ 48,296 million from ₹ 38,886 million in FY 2011. Our formulations business today contributes 88% of our overall revenues with the rest coming from API's.

Business Mix
(%) Contribution



We continue to record strong performances in the Advanced Markets of the US & Europe and Japan. During FY 2012, these markets contributed 52% of the Company's total revenues at ₹ 35,885 million up from ₹ 28,818 million in FY 2011.

The Company remains the 5th largest and the fastest growing generic pharmaceutical major in the US by prescriptions. During FY 2012, Lupin's US Brands business contributed 28% of the overall US revenues with a turnover of USD 144 million. Lupin is the only Indian Pharma Company with a significant Branded presence in the US market.

Kyowa, the Company's subsidiary in Japan, posted net sales of ₹ 8,607 million, contributing 12% of Lupin's revenues having grown 39% during FY 2012. Japan launched 11 new products and filed applications for another 7 products during the year. We further strengthened our position with the acquisition of I'rom Pharmaceuticals giving us the added capability to develop, manufacture and market injectables, a strategic must in the Japanese market.

In the emerging markets, India is the main growth driver contributing 27% of gross sales at ₹ 19,374 million during FY 2012 as against ₹ 15,734 million during FY 2011, an increase of 23%. This growth was driven by strong performance and increasing market share in the CVS, Diabetes, CNS, Asthma and Gastroenterology segments. Lupin also entered into a strategic alliance with Eli Lilly India (Lilly) to promote and distribute Lilly's Insulin range of products. Lupin's India formulations business will promote and distribute the range of products in India and Nepal through a dedicated sales force.

In South Africa, Lupin recorded growth of 40% in revenues to ₹ 2,554 million during FY 2012 from its subsidiary Pharma Dynamics. We remain the fastest growing Top 10 generic company in the market, ranked 5th amongst the generic pharmaceutical companies in South Africa.

Lupin's Phillippines subsidiary, Multicare Pharmaceuticals, grew by 58% during FY 2012. As a premium branded generics company, Multicare has built a strong position in the Women's health and the Pediatric Primary segment.

INVESTMENTS IN RESEARCH & DEVELOPMENT AND QUALITY

For the past few years we have committed significant time and resources to a long-term Research and Development investment strategy. Lupin's Research programs cover the entire spectrum of pharmaceutical discovery from Generics, Drug Delivery Systems, to Novel Drug Discovery and Biotechnology.

FY 2012 revenue expenditure on R&D amounted to ₹ 5,228 million, 7.5% of net sales, as against ₹ 4,834 million in FY11. We have created one of the best generic product pipelines in the world, as evidenced by our leading generics performance in the markets we operate in.

All our manufacturing facilities remain in full compliance within their relevant regulatory authorities. Quality is a primary mission at Lupin and a key focus of senior management to maintain and upgrade standards and processes that ensure consistency, reproducibility and safety. The key factor impacting our quality and discovery initiatives are our people.

OUR PEOPLE

The heartbeat of our culture at Lupin is a commitment to outperform at every level of the organisation. Our performance is a credit to our people across the world. At the helm, we can guide, nurture and mentor but we rely on every colleague’s personal commitment and passion to succeed to reach our common goal; to be counted amongst the best pharmaceutical companies in the world.

I am proud of our philosophy and value system, but most of all I am indebted to our staff and our leadership teams for their consistent search for excellence. Lupin is a great place to work because of the respect we have for one another.

If performance and change management be the measures, then we have the richest pipeline of leaders who will continue to outperform the market, because we have built within Lupin a culture of transformational growth, driven by our people that will continue to serve our stakeholders and unlock value for society, long into the future. Lupin is Built To Grow.

Yours Sincerely

Dr Kamal K Sharma
Managing Director
Lupin Limited




US & EUROPE

> “Our consistent track record of growth is a result of a valuable pipeline, solid customer relationships and flawless execution
>
> **Vinita Gupta**
> Group President & CEO
> Lupin Pharmaceuticals Inc

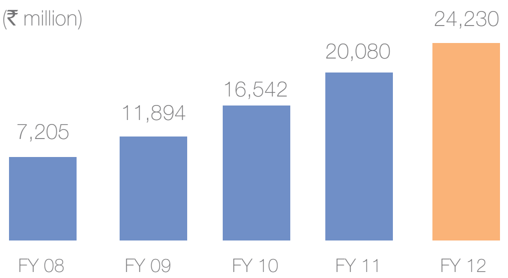
US & Europe continue to be the principal growth engine for the Company, and represent the major contributors to the Company's global revenues and margins. These markets have made Lupin the global generics powerhouse it is today. Lupin's business in these markets has been built over the last 8 years and this high growth performance is a direct result of a consistent approach, focused on the development and commercialization of meaningful high barrier products and the creation of solid relationships in the marketplace.

US & Europe Formulation sales contributed 37% to the Company's overall consolidated revenues for FY 2012. Formulations sales for US & Europe grew by 21% to ₹ 27,278 million during FY 2012 from ₹ 22,607 million in FY 2011. For the third year running, Lupin remains the 5th largest and the fastest growing generic major in the US by prescriptions, growing at 16.9 % (IMS Health-Dec 2011). The European business grew 9% during FY 2012.

UNITED STATES

Headquartered in Baltimore, Maryland, the Company's US subsidiary, Lupin Pharmaceuticals, Inc. (LPI), is dedicated to delivering high-quality, branded and generic medicines trusted by healthcare professionals and patients across the US. LPI today has developed a meaningful presence among physicians treating Cardiovascular disease and Pediatric patients with it's branded line, and has established a leading position as a highly reliable supplier of quality generics among major retailers in the US. The Company has grown to emerge as a USD half billion enterprise over the last 8 years. Lupin has forged a unique growth strategy for the Advanced Markets built around quality niche products, world-class research, manufacturing and supply chain capabilities, protected by strong Intellectual Property. The endeavor now is to leverage the foundation that we have created and maintain the growth momentum created over the last 8 years. The Company's US Formulations revenues (including IP income) grew by 22% to ₹ 25,303 million during FY 2012, up from ₹ 20,798 million in FY 2011. The Brands Business contributed 28% of total US sales whereas the Generics business contributed 72% during FY 2012.

US Formulations Revenue
(₹ million)



US GENERICS

Lupin Pharmaceuticals Inc. (LPI) is the 5th largest generic player in the US (by prescriptions) and also the fastest growing generic pharma player in the US for the third year running, growing at 16.9 % (IMS Health - Dec 2011). Over the last few years, LPI has built one of the best generic product pipelines for the US market addressing a market opportunity valued at over USD 70 billion.

The results of the Company's efforts have played out in the marketplace. Currently 20 out of the 41 generic products marketed by Lupin in the US rank No. 1 by market share and as many as 35 of these 41 are in the Top 3 by Market share (IMS Health - Mar 2012). We have persevered and played to our strengths, focusing on increasing

Generics market share by prescription

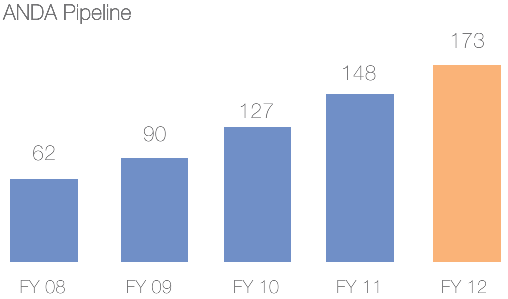
	MAT Dec 2011		
	TRx Mn	% Market Share	% Growth
US Industry	2,927	100	4.8
1. Teva	488	16.7	-14.9
2. Mylan Labs, Inc.	362	12.4	-3.8
3. Watson Pharma	216	7.4	7.1
4. Sandoz (Novartis)	211	7.2	-4.7
5. Lupin Pharma	155	5.3	16.9

our market shares by executing well, by making sure that we are engaging with our trade partners and customers, strengthening our supply chain by creating efficiencies that ensure a cutting edge response time, thus creating and unlocking value.

In FY 2012, the US Generics business reported growth of 17.9% with revenues of USD 363 million, up from USD 308 million in FY 2011.

During FY 2012, the Company filed 25 Abbreviated New Drug Applications (ANDAs) with the United States Food and Drug Administration. The Company continues to maintain its position as one of the Top 10 ANDA filers for the US market. The cumulative number of ANDA filings now stands at 173, with 64 approvals received till date. Lupin has 86 Para IV Filings with the US FDA, out of which 13 were filed during FY 2012. The cumulative first-to-file opportunities for the US generics market now stand at 23.

ANDA Pipeline



The Company received 16 approvals from the US FDA and launched 11 products in the US during FY 2012. The year also marked LPI's much anticipated entry into the Oral Contraceptives (OC) Market. The Company's first three OC products were launched into the market during FY 2012 and it expects approvals for close to 30 more in the next few years. FY 2012 also was a landmark year when LPI launched 4 products with 180 days of exclusivity (including shared exclusivity). The Company launched generic versions of Keppra XR® (Levetiracetam XR), Geodon® (Ziprasidone) and Lo-Seasonique® (Levonorgestrel + Ethinyl Estradiol) with shared exclusivity. LPI also launched its first exclusive first-to-file product in the US; the generic version of Fortamet® tablets (Metformin Hydrochloride XR) in September 2011. In December 2011 Shionogi's request for a preliminary injunction was granted by the US courts. Having appealed the decision, the US Court of Appeals for the Federal Circuit granted Lupin its request to stay the preliminary injunction that had earlier barred further sales of its generic Fortamet® tablets. The company has since then re-launched the product.

FY 2012 also saw Lupin launch its first partnered Authorized Generic for Warner Chilcott's Femcon Fe® Chewable Tablets, an oral contraceptive.

US BRANDED

A key indicator of LPI's differentiated approach in the US has been the fact that the Company entered the US market eight years ago in the Branded segment and did not follow the traditional generics and API route that all of its peers had adopted till then. The turning point was 2004, with the launch of the US business with Lupin's flagship brand, Suprax®, a pediatric anti-infective drug which marked our entry into the US Branded market. LPI still remains one of the few Generics Pharma Majors with a substantial Branded business in the US, contributing 28% to the overall US revenues.

In FY 2012, Lupin's flagship brand, Suprax® continued its upward trajectory of sales growth, which has helped build a sound platform for an even larger branded presence in the years to come. Despite a weak flu season in the US as compared to FY 2011, prescriptions for Suprax® tablets registered a growth of 11% over the previous year, while Suprax® suspensions prescriptions declined with the market.

During the year, the Company re-aligned its field sales force, focusing on new physician targets and initiating new marketing programs for Antara® (Fenofibrate Capsules 43mg and 130mg). Antara® is prescribed for the treatment of hypercholesterolemia (high blood cholesterol) and hyper-triglyceridemia (high triglycerides). The results of these efforts are being realized in recent quarters with consistent growth in share and prescriptions for Antara®, despite a continued decline in the market for fenofibrate products. The Company has been able to consolidate Antara® sales, which have since picked up through FY 2012 and aims to strengthen and build on the base created.

LPI has over the years invested prudently in creating a specialty sales force that targets both Pediatricians and select, high prescribing Primary Care Physicians. The Company aims to strengthen its branded portfolio with the launch of products developed and filed with the US FDA from its own pipeline as well as strategic brand acquisitions.

EUROPE

In FY 2012 the Company not only consolidated its presence in the European Union but continues to build for the future. During FY 2012, the Company's formulations business in Europe grew at 9% reporting revenues of ₹ 1,975 million as compared to ₹ 1,809 million during FY 2011.

Lupin continues to invest for the future by building a differentiated product pipeline encompassing not only Anti-Infectives, Cardiovascular, and CNS therapy areas, but also by filing for niche opportunities for therapy segments such as Oral Contraceptives, Dermatology and Ophthalmics. This was a record year for the Company in terms of product filings with European Authorities. Lupin filed 36 MAAs, including 9 DCPs, across Europe during FY 2012. Total cumulative product filings for the European Union now stands at 127, with the Company having received 58 total approvals. The Company received 14 MAA approvals and launched 13 products in the European market during FY 2012.

Having strengthened and established its presence across select EU markets through strategic alliances and direct-to-market initiatives, the Company is looking to expand into high growth markets like Turkey, Central and Eastern Europe.

In France, having built a strong presence with successful trade partnerships, the Company is looking to ramp up its presence in the market by introducing new products and therapy segments. The Company reported strong growth for Cefpodoxime Proxetil and Valsartan. The Company also launched Levetiracetam tablets and Desloratidine tablets

Lupin's German Subsidiary, Hormosan Pharma GmbH (Hormosan) continues to make in-roads into the German market. The Company continues to focus on filings for niche Generic opportunities and specialty pharmaceutical products and integrating products into Lupin's facilities in India. The Company is also looking at in-licensing opportunities to increase its product offerings in the German market. Lupin's Business in the UK is a direct-to-market initiative. The Company is now looking to introduce value-added products into the UK and has built a strong pipeline.

When it comes to the Advanced Markets, Lupin is prepared with a rich pipeline comprising of niche products, first to files and products requiring dedicated facilities or having high barriers to entry. This is supported by best in class manufacturing facilities and an efficient supply chain. This coupled with the Company's relationships in the marketplace help prepare for the future. Lupin is Built to Lead.

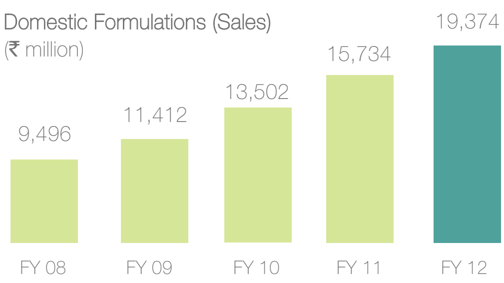
INDIA

"Through a strategic mix of our own products and licensing agreements we have built a powerhouse that has its eyes set on the top spot

Shakti Chakraborty
Group President
India Region Formulations & CIS

India is one of the fastest growing pharmaceutical markets in the world. Sale of branded products in India is integral to Lupin's business, and is a vital part of the Company's growth strategy. The Company's India formulations business contributed 27% to the company's revenues for FY 2012. The company's India formulations business has repeatedly outperformed the Indian Pharmaceutical Market (IPM) growing at a CAGR of around 20 % over the last 5 years. The India formulations business grew by 23% recording revenues of ₹ 19,374 million during FY 2012, as compared to ₹ 15,734 million in FY 2011

The measure of the quality of Lupin's sustained growth performance is not only in our growth numbers but also in our ability to continue to enter new segments and launching products that are first to market. The Company continues to improve its market share across all our therapy segments and has an overall market share of 2.82% of the IPM (ORG IMS MAT March 2012).

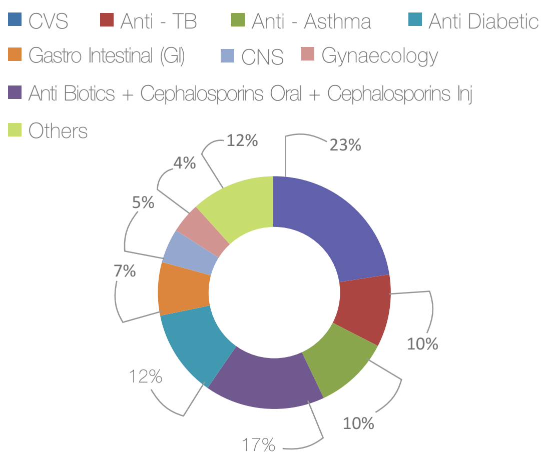


Sustained growth in revenues is an indicator of the quality of our sales force; the real strength behind our success in the Indian Pharmaceutical Market (IPM). During FY 2012, the Company augmented its field force to 4,800 personnel. Lupin today enjoys one of the highest productivity ratios per medical representative in the IPM.

CHRONIC THERAPY FOCUS

Lupin is focused on the lifestyle and chronic therapy segments with an eye on the leadership spot. Lupin's product and therapy segment mix for the IPM coupled with unrivaled marketing strategies has led to the Company emerging as amongst the fastest growing player in therapies like Cardiology, Central Nervous System (CNS), Diabetology, Anti-Asthma, Anti-Infective, Gastro Intestinal and Oncology.

IRF Therapeutic Contribution



PINNACLE

Pinnacle Cardiology

Lupin's flagship division continued to outperform the market with the Company evolving as the 3rd largest player (ORG IMS) within the Indian Cardiology market, recording a growth of 16% during FY 2012. Lupin's largest brand, Tonact became the highest prescribed brand in the Atorvastatin category with prescription share of over 10%. Another Lupin brand, Clopitab emerged as India's No.1 prescribed Clopidogrel brand with a prescription share of 21.4%.

Pinnacle Blue Eyes

The Pinnacle Blue Eyes division is focused on the ophthalmology segment. The division has an exclusive collaborative knowledge sharing agreement with the American Academy of Ophthalmology to offer online scientific content which has gone a long way in building the Company's brand equity with the doctor community.

LUPIN DIABETIC CARE

According to the World Health organization, there are 246 million people suffering from diabetes, almost 6% of the world's adult population. It is estimated that there are 50 million people with diabetes in India and by 2025 this number will swell to 70 million. This would mean that every fifth diabetic in the world would be an Indian.

The Lupin Diabetic Care Division has been leading the fight against diabetes. Within a span of 5 years, it has carved out a valued niche for itself within the Indian diabetes market. Lupin Diabetic Care has consistently outperformed the market and emerged as the 4th largest player in the participated market having recorded a growth of 32% during FY 2012. The division has a differentiated product portfolio with leading brands such as Gluconorm, Telista, Lupisulin and Matilda ranked in the top 5 of their respective segments.

The division has been a pioneer in creating ground breaking patient care initiatives like the Arogya and the Wellness Program, which have been very well received and appreciated by both Doctors and the patient community. The division also runs the International Symposia on Diabetes (ISD), which is a forum where the world's leading international faculty on Diabetes and related therapies share their expertise with physicians and diabetologists in India.

LUPIN METABOLICS

The youngest division within the Company's domestic formulations business, Lupin Metabolics was carved out of the Lupin Diabetic Care division in FY 2012 with the objective of addressing metabolic diseases such as hypertension & obesity. With many new product offerings in the area of Endocrinology and Metabolic care under development, Lupin Metabolics is poised to emerge amongst the leaders in the Metabolics segment in India.

Lupin also entered into a strategic agreement with Eli Lilly & Co (India) Pvt Ltd to promote and distribute Lilly's Insulin range of products. Lupin's India formulations business will promote and distribute the range of products in India and Nepal through a dedicated sales force of 300 medical representatives.

LUPIN CVN

The Lupin CVN division was created two years ago to sharpen the Company's focus on Cardiology with a specific focus on the related Nephrology and Urology segments. The Lupin CVN business continued to outperform the IPM by registering strong growth of 35%. CVN also has the distinction of being ranked No.1 by prescriptions in its participated market. Seven brands from the Lupin CVN product portfolio have already made it to the Top 3 in their respective space (ORG IMS March 2012).

CVN also initiated and completed the biggest ever study carried out in India involving 5,005 patients and 552 physicians across 347 centers. The study titled STRIDE (Study on Rosuvastatin in Indian Diabetic DyslipidEmics) has generated an Indian database on the benefits of Rosuvastatin in Diabetic patients. In addition, the division also initiated the first ever Intra Vascular Ultrasound study on plaque volume regression with Rosuvastatin.

LUPIN

The Lupin division continues to lead the IPM in the anti-TB segment with 46.8% market share in the anti-TB market. Lupin's Anti-TB business grew by 8.5% during FY 2012.

LUPIN FEMINA

The Lupin Femina division is responsible for the Company's business in the women's health care segment within the IPM. Lupin Femina is already ranked 3rd in the participated market of IVF+Gynaec portfolio. Lupin Femina has a wide basket of products for women's healthcare segment comprising of a complete Obstetrics & Gynaecology range, IVF/ Anti-Infertility products & Nutrition product preparations. The Femina division has an alliance with the Royal College of Obstetrics and Gynaecology (RCOG) to ensure that Indian doctors in the Obstetrics and Gynaecology space get access to the latest medical journals, best practices and technology breakthroughs globally.

RESPIRA

The Respira Division is responsible for the Company's business in the Anti-Asthma, Allergy and Respiratory Tract Infections and COPD space. Respira continued to garner greater market share and registered a growth of 22% in FY 2012. Lupin is now the second largest player in the Indian Anti-Asthma market (ORG IMS MAR 2012).

ENDEAVOUR

This multi-specialty division is responsible for the Company's Anti-infective, Gastroenterology, Osteoarthritis business and on acute therapy areas such as Antibiotics and Pain Management.

Endeavour continues to make rapid inroads into the anti-arthritic segment and further consolidated its positioning with the growth of its flagship brands Hyalgan and Sinosam.

MAXTER

Maxter continues to be the fastest growing player in the Critical Care segment. With a special focus on high-end injectables as well as other life-saving medicines and products, Maxter had an extremely strong year growing by 25.6% during FY 2012. Lupin Maxter also got into a strategic alliance with the Infectious Disease Society of America (IDSA), one of the world's leading societies in the Intensive and Critical care medicine, to cooperate on sharing scientific knowledge with the doctors.

LUPIN MINDVISION

Mindvision is responsible for Lupin's Neuropsychiatry business within the IPM. Launched in 2007, Mindvision has been one of the fastest growing divisions in Lupin and is ranked 4th in its participated market, growing at 32 % as against the market growth of 24.2% (MAT March 2012). In terms of prescriptions, Lupin Mindvision is ranked 3rd with 24% growth in the Neurology specialty space.

Mindvision caters to niche therapeutic sub-segments within the CNS therapy space, such as Stroke, Epilepsy, Dementia, Depression and Pain for which it has built a very strong, well differentiated brand basket. In September 2011, Mindvision successfully launched COGNISTAR, India's first Cerebroprotein Hydrolysate, an unique product meant for the treatment of Stroke Dementia and Traumatic Brain Injury, one of the most successful brand launches in the IPM.

Mindvision has also entered a special knowledge exchange and dissemination programs with leading global think tanks such as the European Neurological Society and the European Psychiatric Association to create platforms to disseminate medical information and keep Indian doctors abreast with the latest information on practices and drugs.

IN-LICENSING

Partnerships and in-licensing arrangements are integral to the Company's growth strategy for India. Successful in-licensing deals have enabled Lupin to emerge as a 'first-to-market' company when introducing several new drugs from across the world, ensuring that the Indian marketplace has access to some of the latest and best healthcare options. In the last five years, the Company has introduced 33 in-licensed products, of which 8 products were the first to be introduced to the Indian market. During FY 2012, the Company launched 7 new in-licensed products.

Through a strategic mix of our own formulations and global licensing and marketing agreements we have built a speciality product powerhouse that is not only going to take the company to higher peaks of growth but has it's sights set on the leadership position. Lupin is Built to Perform.

REST OF THE WORLD

> "With the pipeline we have filed and our on-shore presence, the ROW markets are set to capitalize on the fastest growth opportunity for Lupin

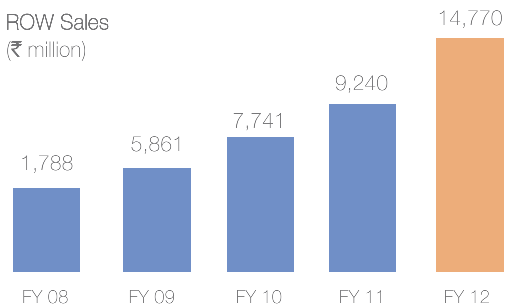
Vinod Dhawan
Group President
AAMLA and Business Development

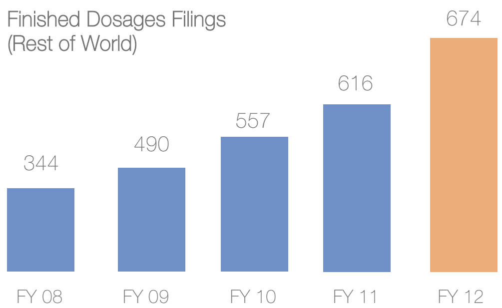
Lupin's Rest Of World (ROW) business addresses the markets of Japan, Australia, South Africa, South East Asia, Middle East and Latin America & others. It is the fastest growing business within the Company having made in-roads into several new geographies in the last 5 years. The business has registered an impressive CAGR of 98 % over the last 6 years.

The ROW business contributed 21% to Lupin's total consolidated revenues at ₹ 14,770 million growing by 43% during FY 2012. With 58 product filings across key markets, Lupin is building and preparing to further expand into these fast growth markets by leveraging our rich research pipeline and unmatched global manufacturing operations out of India and Japan. Cumulative filings for ROW markets now stand at 674 product applications and these markets represent close to a USD 100 billion opportunity over the next 4 years.

FY 2012 business highlights

- Consolidated and expanded presence in the Japanese generic market by entering the lucrative USD 9 billion injectables market with the acquisition of I'rom Pharmaceutical Co Ltd (IP).
- Continued high growth in the South African market.
- Grew presence in the Philippines market through re-aligning Multicare operations.
- Major sustainable in-roads into Australian markets with growth of about 100%.





JAPAN

After 6 years of having entered the Japanese market, Lupin is one of the few global generic majors and the only Indian pharmaceutical player having a significant presence in Japan.

Almost all Japanese citizens are covered through National Health Insurance (NHI) which is funded by the Government. Increased health insurance burden has propelled the Government to promote the adoption of generic medicines in the market. These measures have resulted in creating strong growth opportunities for generic pharmaceutical players.

As one of the measures, the Japanese government introduced a fixed fee based system at designated hospitals known as DPC Hospitals. Of the total USD 110 billion market, the DPC market contributes about USD 11 billion, of which the injectables market alone accounts for USD 9 billion. The number of hospitals has been increasing consistently over a period of time, from 359 in 2006 to 1,449 hospitals in 2011. DPC hospitals cover approximately 35% of all hospital beds (representing 17% of the total hospitals nationwide). The DPC hospitals are managed under a "fixed-rate" payment reimbursement system providing incentives to use generics. This has resulted in higher generic penetration in DPC hospitals at approximately 12% in value terms as compared to about 9% overall.

Lupin operates in Japan through its subsidiary, Kyowa Pharmaceutical Industry Co., Ltd. (Kyowa). Kyowa is a market leader in the generics space and has over the years built a strong presence in the Neurology, Cardiovascular, Gastroenterology and the Respiratory therapy segments. Kyowa is one of the fastest growing Japanese generics company and has grown on a sustained basis, outperforming the Japanese generics market. It is today one of the most profitable generic companies in Japan. During the year Kyowa launched 11 new products and now has a portfolio of 283 products. The Company filed applications for 7 new products during the year. In order to meet the growing demand, Kyowa has initiated construction of a new facility at its Sanda site.

During the year, Kyowa consolidated its presence in the Japanese market by acquiring I'rom Pharmaceutical Co., Ltd (IP), a niche injectables company with significant presence in the DPC hospital segment. IP is in the business of manufacturing and marketing injectable products, mainly ampoules and bags. It is headquartered in Tokyo with a manufacturing base at Atsugi, Kanagawa Prefecture. The IP marketing team covers roughly about 80% of the DPC hospitals in the country.

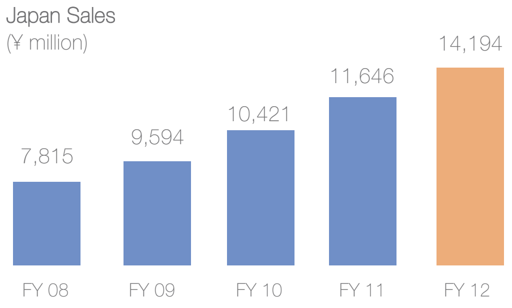
IP's strong presence in the DPC hospital segment in Japan, through its line of injectable products, is an ideal fit with the Company's existing oral business portfolio of Kyowa in Japan. The acquisition will not only strengthen Lupin's presence in the Japanese market but would also provide for a stronger growth footprint.

Over the past 5 years, Kyowa has grown from JPY 7,815 million (₹ 2,789 million) to JPY 14,194 million (₹ 8,607 million). Kyowa is amongst the fastest growing Japanese generic businesses registering a growth of 39% over the previous fiscal and contributing to 12% of Lupin's consolidated revenues.

Going forward, with patents for products worth USD 9 billion coming off in the next 5 years, Kyowa along with IP, is poised to capitalize on this opportunity.

SOUTH AFRICA

The South African pharmaceutical market is valued at about USD 2.5 billion in FY 2012. Lupin's South African subsidiary, Pharma Dynamics (PD) recorded revenues



of ZAR 395 million (₹ 2,554 million) registering growth of 37% over the previous year as compared to industry growth rate of 8%. PD is the fastest growing and the 5th largest generic company in the South African market. The Company is a market leader in the Cardiovascular segment and has a growing presence in Neurology, Gastroenterology and the Over the Counter (OTC) segments.

The Company launched 5 new products in its established segments and created a dedicated division to address the hospital business segment with a portfolio of 23 products. The Company will focus on marketing specialized injectable products as well as distribution of a larger more comprehensive range of hospital products that are in the pipeline. During FY 2012, PD also launched 'Ruby', the first generic Drosperinone and Ethinyl Estradiol oral contraceptive in the South African market.

Lupin has started back ending production into its India manufacturing facilities over the past two years and 3 products have already been transferred.

PHILIPPINES

The Philippines pharma market is still in the process of recovering from a recessionary trend. Valued at USD 2.9 bn, the market posted marginal growth of 2.5% as of March, 2012 (MAT 2012 as per IMS Health data). Lupin's Philippines subsidiary Multicare Pharmaceuticals (Multicare), however, continues to outpace the market, having posting a growth of 46% for the year FY 2012. Multicare posted revenues of PHP 596 million (₹ 663 million) during FY 2012 as compared to PHP 409 million (₹ 418 million) last fiscal.

Multicare is a branded generic company focused on high growth specialty segments like Women's Health, Pediatrics, Gastro-Intestinal and Diabetes care. FY 2012 also marked its foray into the Neurology segment when it entered into a strategic marketing partnership with Sanofi. The Company is focused on being the first generic in the market for a number of its new products.

AUSTRALIA

The Australian Generics industry is around USD 1.5 billion, growing at approximately 8%. The total Australian Pharmaceutical market is valued at USD 12.5 billion. The Australian market is of strategic importance and very lucrative with key molecules going off patent, a rapidly expanding OTC market, active generic substitution by pharmacists and the National Health Insurance coverage program.

The Company's Australian subsidiary, Generic Health Pte. Ltd. (GH), undertook various strategic initiatives during the year, which would go a long way in creating a strong base for the future. The company strengthened its OTC sales and marketing team by increasing the team size from 6 to 15 personnel. Lupin acquired the worldwide marketing rights to the 'Goanna' brand. Goanna is an over 100 year old, well established brand in Australia in the pain management segment. With this acquisition, the Company increased its reach to about 80% of the pharmacies in Australia as compared to 30% earlier. This also marked the beginning of GH's foray into the lucrative OTC segment. To strengthen and augment the OTC portfolio, GH launched 25 additional products under its 'Pharmacy Action' brand. GH also forayed into the oral contraceptive market by launching “Isabelle”, the first and only generic of Drosperinone + Ethinyl Estradiol. The company also made its presence felt when post lifting of an injunction on Venlafaxine XR by Australian courts, GH's product was first to reach the market.

In FY 2012, Generic Health registered a business growth of 105% over the previous year. Furthermore, Lupin received 2 products approvals and filed 5 dossiers for the Australian market.

THE ROAD AHEAD

Having consolidated its presence in its chosen markets of direct operations, the company is looking at creating synergies to expand into new markets and segments through leveraging pipelines across geographies, forging new alliances, doing in-licensing arrangements with like-minded partners and companies and looking at inorganic growth which would add value to the Company's existing ROW business. Lupin's thirst for exploration of new opportunities assures a future of continued expansion long into the future.

US & EUROPE
INDIA
ROW
API
R&D
HR
FINANCIAL REVIEW
CSO

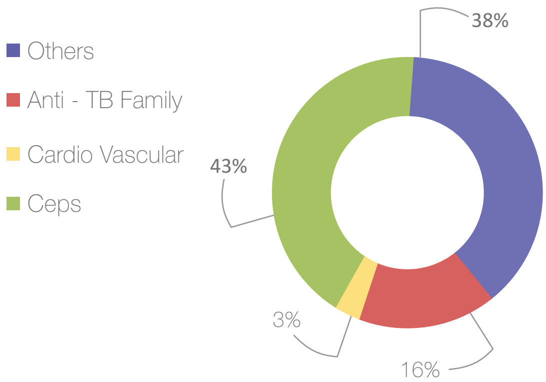
> "Lupin's global formulations business is built on the backbone of one of the most efficient API businesses in the world
>
> **Naresh Gupta**
> President
> API & Global TB

The Active Pharmaceutical Ingredient (API) forms the most vital part of any finished dosage product. The overall API market was valued at USD 101.08 billion in 2011, and is expected to grow at a CAGR of 7.9% from 2011 to 2016.

Global generic markets are witnessing a period of unprecedented growth as blockbuster drug patents expire and the need for managing healthcare costs drives generic substitution globally. Strength in API is an integral part of capitalizing on this opportunity. As players globally come under pressure owing to weak regulatory compliance, quality or inefficient cost-base issues, India remains one of most favored API destinations globally.

Lupin's strengths and cost leadership in APIs have been a critical part of Lupin's emergence as a global generic and branded formulation powerhouse. Our API strengths have not only enabled forging of better synergies between our diverse formulation businesses but have also helped create new opportunities for the future. Today, Lupin is one of the most vertically integrated global generic majors; a market leader on both fronts of the pharmaceutical business, API and Formulations.

API Sales Therapeutic Contribution (%)



In FY 2012, the company's API business generated revenues of ₹ 8,491 million. The Company remains a global leader in therapeutic areas such as Cephalosporins, Cardiovasculars and the anti-TB space. The Company has been a global market leader in products such as Rifampicin, Pyrazinamide and Ethambutol, as well as in Cephalosporins such as Cephalexin, Cefaclor and their Intermediates for over a decade. The Company remains a strategic supplier of anti-TB products to the Global Drug Facility (GDF), thus maintaining its premier position in Tuberculosis treatment.

RESEARCH & DEVELOPMENT

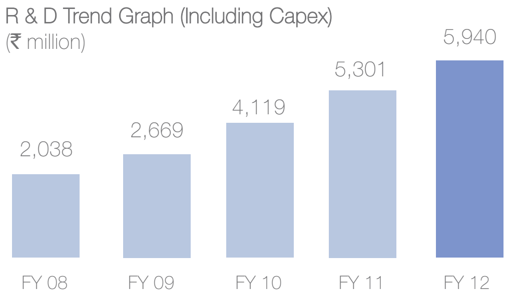
"Sustaining Lupin's growth over the long term is a function of our commitment to Research and the results that this investment delivers

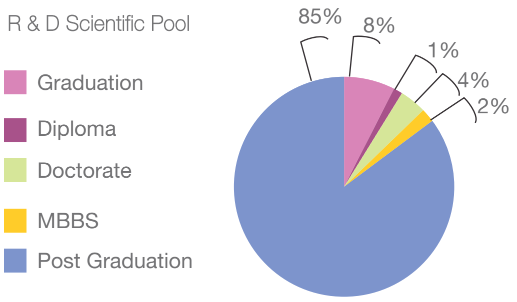
Nilesh Gupta
Group President & Executive Director

The momentum generated by our R&D programs over the last 10 years has enabled Lupin to develop products and technologies, generate intellectual property and harness that knowledge to bring important generics, new innovative drugs and delivery systems to the market. The foundation laid by Lupin's research will go a long way in our evolution as a global generics and speciality pharmaceutical powerhouse. Sustaining Lupin's growth over the long term is a function of our investment and delivery in Research and Development. Headquartered out of the sprawling Lupin Research Park Campus outside of Pune, India, the Lupin Research organization today is a well-integrated network of 5 global research facilities out of India and Japan. The Lupin Research organization is home to over 1200 scientists working on creating products and platforms that seek to address unmet gaps in the pharmaceutical space. We are positioned now to enter a new chapter for Lupin where we have put all the building blocks together for a remarkable future of growth.

During FY 2012, the Company invested 7.5% of its net sales for R&D and related spends, amounting to ₹ 5,228 million.

The Company continues to invest across the R&D value chain sharpening its focus and strengthening every aspect of its research programs; be it increased product filings from our Generics Research; landmark out-





licensing and collaborative research deals for our Advanced Drug Delivery Systems; the further strengthening of our already strong Intellectual Property estate; advances made in the Novel Drug Discovery and Development Program or heightened activity in our Biotechnology Research.

Key Highlights:

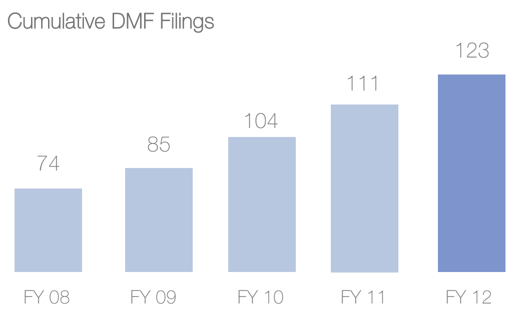
- Lupin filed 25 ANDAs and 12 DMFs with the US FDA and received 16 approvals during FY 2012. 36 MAAs were filed with European Authorities, including nine DCPs.
- Lupin entered into a strategic research and development agreement with Medicis Pharmaceutical Corporation to apply Lupin's drug delivery technologies to multiple therapeutic compounds.
- The Company's Clinical Research arm, Lupin Bioresearch Center (LBC) underwent a successful audit and inspection by the US FDA and French Regulatory Authority ANSM (formerly known as AFSSAPS)
- State of the art new Asthma research labs became fully operational
- 10 New drug discovery Research programs were initiated with significant progress made during the year.

GENERICS RESEARCH AND DEVELOPMENT

Lupin's Generic Products R&D Program is focused on developing APIs and Pharmaceutical Products for the US, European, Japanese and other Advanced Markets. The Program is split into four key research groups - API Process Research, Pharmaceutical Research, Analytical Research and Bio-clinical Research.

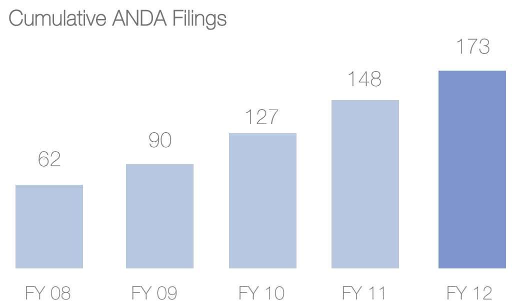
API PROCESS RESEARCH

Lupin's API Process Research program supports the Company's generics research program by developing new APIs that are either a first or by developing APIs that reduce costs dramatically. Our Process research efforts during FY 2012 were focussed on developing specialized and complex APIs like Prostaglandins, Hormones and a new class of ARVs meant for the US, EU, Japan and other advanced markets. In FY 2012, the Company filed 12 US DMFs taking the cumulative total to 123 DMF filings, 130 EDMFs/COSs and four JDMFs. Lupin ranked amongst the Top 10 globally in DMF filings for FY 2012.



PHARMACEUTICAL RESEARCH

FY 2012 was a landmark year for Lupin's Pharmaceutical Research program. The Company's Pharmaceutical Research Group filed 25 ANDAs with the US FDA and 36 European Union applications. The cumulative number of ANDA filings with the US FDA now stands at 173, with 64 approvals received to date. Importantly, the cumulative first-to-files opportunities now stand at 22. The total cumulative filings within the European Union stands at 127, with 58 approvals received so far.



FY 2012 was a year of many new beginnings for the Pharmaceutical Research group where the Company commenced filings for the Japanese market during the year and also filed its first dermatology product in the US.

ADVANCED DRUG DELIVERY SYSTEMS (ADDS)

Lupin has always considered Drug Delivery research as a key differentiator and an important growth driver. Lupin's ADDS research has been creating and leveraging new technologies that have transformed patient experience immensely. The goal of this arm of Lupin's research is to out-license drug delivery technologies and products as well as focus on building Lupin's own line of proprietary products.

Some of the platforms developed and scaled up by the Company to date include:

- Bio-adhesive / gastro-retentive extended release systems
- Laser-drilled extended release systems
- Bioavailability enhancement systems based on solubilization and nano-particle technology
- Matrix / reservoir based release systems
- Taste masking technologies for solid and liquid orals

In FY 2012, Lupin entered into a research and development agreement with Medicis Pharmaceutical Corporation (Medicis) to apply Lupin's proprietary drug delivery technologies to multiple therapeutic compounds. As a part of the collaborative arrangement two products are already in different stages of development. Lupin will be eligible for future research, development and regulatory milestones of up to USD 38 million, as well as single digit royalty on sales by Medicis of these products.

ANALYTICAL RESEARCH

The Analytical Research Group ensures that all processes and products transferred to Lupin's manufacturing plants meet regulatory requirements through the development and validation of the right testing methods. The group also ensures that all development and documentation is in line with regulatory expectations. The Company's Analytical research facility is equipped with all the equipment and instrumentation needed to support a top-notch generic research program, for example equipment like Powder X-ray Diffraction, Solid State NMR and Differential Scanning Calorimetry to study physical properties such as polymorphism and the latest LC/MS-MS systems and automated preparative HPLCs for the isolation/synthesis and characterization of impurities in APIs and drug products.

LUPIN BIORESEARCH CENTER

The Lupin Bioresearch Center (LBC) in Pashan, Pune has both Clinical and Bioanalytical capabilities and houses 2 clinics, a bioanalytical lab with 8 state-of-the-art LC/MS-MS systems and its own clinical chemistry lab.

LBC is responsible for conducting bioequivalence testing for Lupin's generic products and branded formulations which form a part of the Company's regulatory filings. LBC also manages out-sourced Bio-Equivalence studies, clinical end-point studies as well as the studies for the Company's ADDS initiatives. During the year LBC completed 32 full studies and has successfully completed 91 full studies to date. In FY 2012, LBC underwent a successful audit by French regulatory authorities during FY 2012 for both Bioanalytical and Clinical areas.

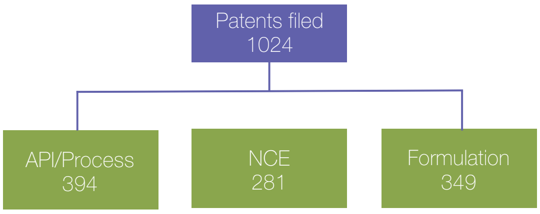
INTELLECTUAL PROPERTY MANAGEMENT

One of the key drivers of Lupin's move up the pharmaceutical value chain has been the work done by our Intellectual Property Group The group has not only created and cultivated a high-value patent portfolio but ensured that we judiciously protect our research and technology assets. Making sure our products do not infringe any valid patents or invalidating patents is a key part of Lupin's generics strategy and this is driven by the IP team. In April 2011, the Company's IP group entered into a license agreement with Abbott Laboratories and Laboratoires Fournier S.A. for various Abbott patents for Antara® (Fenofibrate) Capsules. The licensed patents and the agreement help build the patent estate around Antara®, Lupin's second largest brand in the US market.

Lupin also entered into a strategic alliance with Natco Pharma to jointly commercialize generic equivalent of Glaxo's Tykerb® (Lapatinib ditosylate) 250 mg tablets. Natco and Lupin believe that they are the first-to-file an ANDA containing a Paragraph IV certification for Lapatinib. In addition, Lupin had 2 first-to-files for the generic versions of Lo Loestrin® Tablets and Pristiq® Extended Release Tablets during FY 2012. The cumulative first-to-files now stand at 22.

In FY 2012 Lupin launched 4 products in the US Market with 180 days of shared exclusivity. The Company also launched its first licensed Authorized Generic in the US. The IP group played a pivotal role in the US launch of the generic version of Fortamet® tablets (Metformin Hydrochloride XR) in September 2011. In December, 2011 Shionogi's request for a preliminary injunction was granted by the US courts and prevented Lupin from supplying additional quantities. The efforts of the IP Group at the US Court of Appeals for the Federal Circuit resulted in granting Lupin's request to stay the preliminary injunction that had earlier barred sales of its generic Fortamet® tablets. The company has since then re-launched the product.

Lupin also settled all ongoing litigation over SOLODYN® (Minocycline HCI, USP) Extended Release Tablets with Medicis Pharmaceutical Corporation. In addition, the Company entered into a settlement agreement with Santarus Inc. and Depomed Inc. to resolve pending patent litigation involving GLUMETZA® (extended release metformin tablets) 1000 mg and 500 mg.



Total Lupin's Patents filed/granted till date would be: 1024

NOVEL DRUG DISCOVERY AND DEVELOPMENT

The vision for Lupin's Novel Drug Discovery and Development (NDDD) Group is to discover, develop and commercialize new drugs that address disease areas with significantly unmet medical need. Lupin's NDDD efforts are focused in the areas of (i) Metabolic/Endocrine disorders, (ii) Pain and Inflammation, (iii) Autoimmune diseases, (iv) Central Nervous System disorders, (v) Cancer and (vi) Infectious diseases. The Company has identified multiple drug targets within each of the above disease areas. These targets have been selected after an in-depth evaluation of a number of parameters, from both scientific and commercial point of view, to ensure that the selected programs are robust and have a high probability of success. While many of these programs are first-in-class opportunities, a few programs have been initiated with a clear differentiation strategy to be best-in-class. As part of the overall NDDD strategy, the discovery outcomes from each of the programs are periodically reviewed by a panel of global experts with vast experience in these therapeutic areas.

Over the last two years, Lupin has set up state-of-the-art medicinal chemistry, biology, drug metabolism and pharmacokinetics (DMPK) and toxicology laboratories to handle programs of this magnitude. Major infrastructure enhancements include medicinal chemistry and analytical chemistry laboratories, a computational chemistry facility to support structure-based drug design, in vitro (e.g. robotic screening platform for rapid screening of compound libraries and electrophysiology platforms), in vivo (e.g. well-equipped facility to conduct CNS and pain drug discovery) and ADME capabilities. More importantly, over the past two years we have created and nurtured a brilliant pool of top-notch talent.

We have identified targets from which 10 new research programs spread across several disease areas are currently underway. 6 of the programs have already progressed to a lead-to-clinical candidate phase.

Major Highlights

- Transitioned one clinical candidate – novel compound progressed from discovery to development
- Nine leading therapeutic area global experts have joined our scientific and development advisory panels
- Strong intellectual property creation and management strategy in place; a total of 50 patent applications filed to date subsequent to revamping of the Novel Drug Discovery & Development program

LUPIN BIOTECHNOLOGY

The Lupin Biotechnology Research Group was established 4 years ago with a vision to provide affordable, high quality biopharmaceuticals with a focus on biosimilars. Lupin currently has close to 100 scientists who are actively engaged in developing 10 biosimilar products, 8 of which are currently the best-selling blockbuster products in the world. Within just 4 years from conception the Lupin biotechnology group is close to getting marketing authorization for 2 of its oncology products for the Indian market. Clinical Trials on 2 more of its pipeline products are scheduled to start in 2012 and 2 more products went into the pre-clinical stage this fiscal. The group has already filed 13 Patents encompassing Lupin's proprietary vectors, process patents and non-infringing formulations. The Company's biotech scientists have also published 20 research articles in international peer reviewed journals.

Lupin today, offers complete development and manufacture capability for recombinant protein therapeutic products from high yielding and proprietary microbial and mammalian cell culture platforms. The Biotech R&D infrastructure created thus far, offers a complete range of product development capabilities ranging from clone development, process optimization, analytical method development, bioassay, formulation, stability studies, non-clinical and clinical studies backed by a sound understanding of regulatory and IP aspects. From concept to commercial stage, the development programs comply with and follow ICH, EMEA and Indian Regulatory guidelines.

"A global network of 11 vertically integrated world class manufacturing facilities ensures that Lupin is built to deliver

Alok Ghosh
President
Technical Operations

Lupin is ranked 9th amongst global generic companies. Backing this performance is one the most vertically integrated pharmaceutical operations in the world, a key differentiator that has led to Lupin's emergence as a market leader. The company today operates a globally integrated network of 11 manufacturing facilities spread across India and Japan. World class facilities that are manufacturing and delivering products in line with and in constant compliance with quality, safety and environment standards as laid down by governments and leading regulators like the US FDA, UK MHRA, World Health Organization, Australian TGA, Indian FDA and Japan's MHLW. During FY 2012, Lupin facilities at Ankleshwar, Aurangabad, Tarapur, Mandideep and Goa were successfully audited by several of these global regulatory agencies.

At Lupin we have not only been consistently investing in ramping up our operations and creating new facilities but also ensuring that our global manufacturing organization is in sync with our global business roadmap and also with most leading global requirements. A manufacturing organization which is consistently meeting customer demands, balancing efficiencies and focused on constant revenue enhancement as well as cost containment. An organization which is swift and agile and a setup that is engineered to deliver best quality products to our customers on a reliable basis.

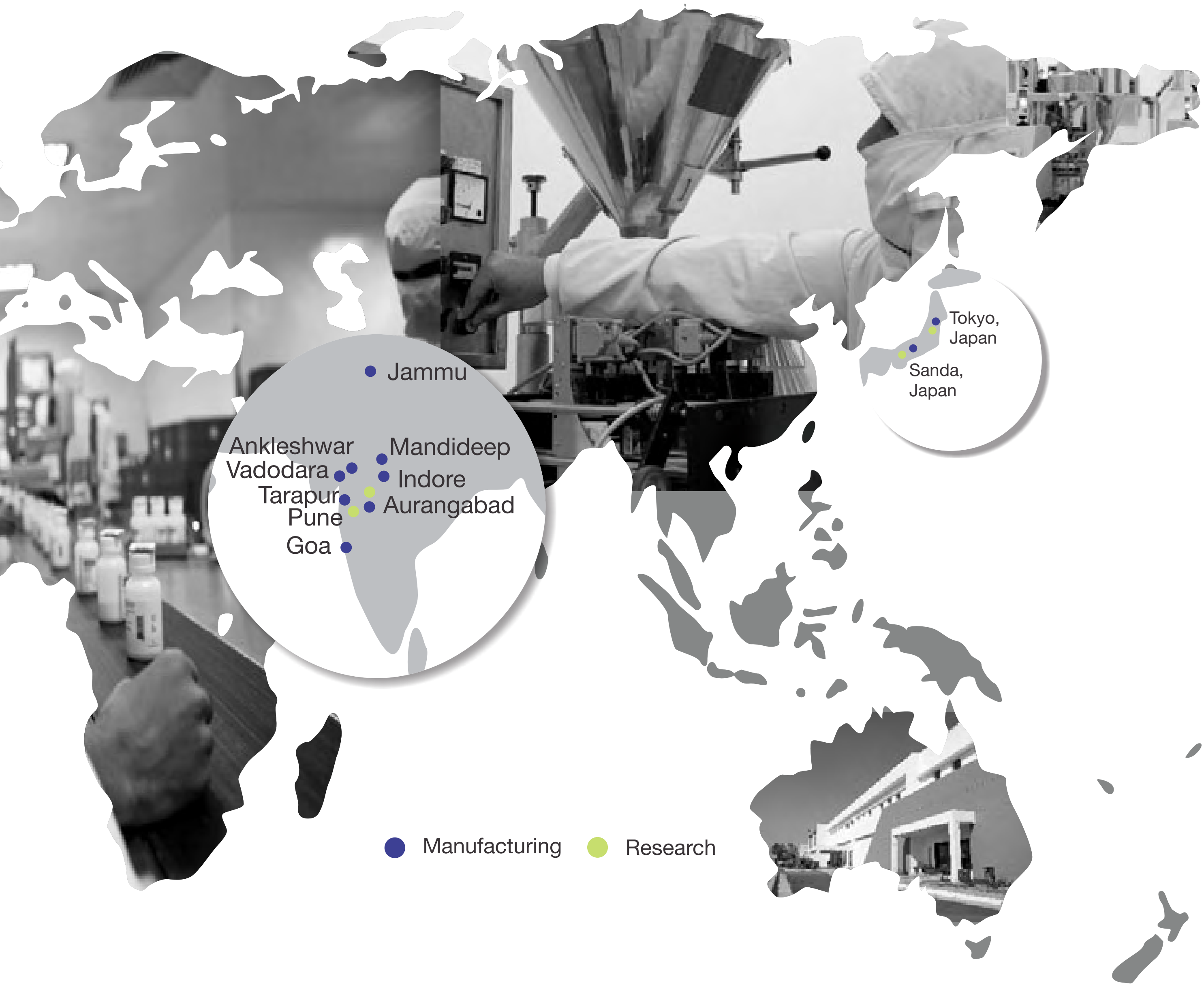
Productivity and Profitability are the governing maxims for Lupin's manufacturing operations. Growth in productivity and the creation of better efficiencies are pre-conditions that go into designing and creating efficient processes. We have a uniform global process framework that ensures consistency and reproducibility. Lupin is currently working with the best consulting think tanks to integrate and implement methodologies such as lean six sigma and lean manufacturing into its global manufacturing operations. Six Sigma is a disciplined, data-driven approach and methodology for eliminating defects and maximizing efficiencies.

QUALITY & REGULATORY COMPLIANCE

A dedicated global Quality Control and Quality Assurance team spread across all our locations is engaged in driving the Quality philosophy of the organization and assuring that global standards of best manufacturing practice are implemented at every Lupin facility. Our customers trust us to act responsibly and to deliver safe and effective medicines at affordable costs. In addition, global regulatory agencies are constantly raising the bar in terms of regulatory requirements. We have earned our reputation as a global pharmaceutical company on the back of consistent and reliable delivery of high-quality products. It is our consistent emphasis on ensuring Quality and Regulatory Compliance that has earned us this reputation and has become a key differentiator to make Lupin a market leader in our focus markets.

We believe quality and compliance is more than just systems and methodologies. We also believe that Quality starts at the operator and supervisor level and so we focus right from the grassroot level in building Quality into our products. Superior levels of quality and compliance also depend on our commitment, discipline and desire for continuous improvement. These are the values that make the DNA of the Lupin Quality and Regulatory compliance teams. Values which have helped us exceed customer expectations and enabled us to consistently improve our products to deliver greater value to our customers. Core Values that ensure that Lupin is Built to Deliver.

GLOBAL INTEGRATED RESEARCH & MANUFACTURING NETWORK


Jammu
Ankleshwar
Vadodara
Tarapur
Pune
Goa
Mandideep
Indore
Aurangabad
Tokyo, Japan
Sanda, Japan
Manufacturing
Research

HUMAN RESOURCES

"Our commitment to our people, their growth and development has made us one of India's 50 Best Companies to Work for

Divakar Kaza
President
Human Resources

BEING A GREAT PLACE TO WORK

A Great Workplace is one where every employee believes that he/she thinks strategically, contributes meaningfully and outperforms consistently to deliver great results. Employees thrive in a culture that is challenging, rewarding and motivating and envision their leadership to have influence, impact and inspiration. For us a Great Place to Work is one where an employee is challenged professionally, is able to grow, find meaning and purpose and a place where he can live his dreams.

At Lupin, we believe in an integrated Talent Management approach to leading people, by building culture, engagement, capability, and capacity through integrated talent acquisition and development processes that are aligned to business goals.

Lupin's vision "To be an innovation led transnational pharmaceutical organization" clearly connects with the aspiration of employees with an appetite to create history. We provide extensive opportunities to our employees to outshine, infusing each one with a sense of pride, ownership and direction to convert their job into a contributory and entrepreneurial role. Our managers lead by example, inspiring, empowering and constantly encouraging their teams to look inside and discover abilities they may not be aware of.

Today, around 18% of Lupin's overall global workforces are women, one of the highest in the generic pharmaceutical industry up from 6% in 2004. Women in Lupin have more presence in middle and senior management than ever before. 11% of our workforce is outside India and we have employees with over 26 nationalities working for a common goal, speaking a common leadership language, within a common framework of delivering results on a continuous basis.

BUILDING TEAMS

BUILDING LEADERSHIP

Lupin propagates a philosophy of constant progression and enhanced skill-building through structured inputs, experiential learning and accelerator experiences. At Lupin, employees are encouraged to unearth their talent in various ways and a robust structure towards this purpose is in action.

Whether it be the focused induction imparted to new recruits at 'Lupin Learning Centre' or the 'Business Leadership Program' for senior executives of the Company, Lupin's people philosophy revolves around equipping our people with the requisite skillset.

Lupin's success is fuelled by passion and dedication of an 11,000 strong task force. But the best that are set apart from the rest, remain on the radar of the top management and these employees are groomed to take on higher responsibilities and larger roles. Lupin has instituted various programs aimed at developing leadership qualities whether they be first line supervisors, mid-sized team leaders or large function heads.

Apart from these, there are various initiatives that are aimed at fulfilling the higher-education aspirations of our employees. We have tie-ups with leading management and technical instititutes such as IIM-A, BITS Pilani, SP Jain Institute, NMIMS and the Indian School of Business through which we provide structured learning inputs and classroom training sessions to ensure that we have a ready and well rounded leadership pool to meet our growth needs.

UNIQUELY LUPIN

Trust and mutual respect are fundamental to the culture of our organization. We believe in our people, in their capabilities and in the fact that they are truly the reason and drivers of our success. We enhance good management practices by preventing discrimination and promoting inclusiveness and have strong governance processes in place to support this belief.

One program that Lupin takes pride in, is its unique Employee Stock Option Program. While in most companies, ESOP is restricted only to top management level, our stock option program is remarkably inclusive and goes deep down through the organizational hierarchy. Employee stock option grants are awarded till the junior most levels in the organization. This is only reflective of our philosphy and firm belief that our employees, irresepective of their level within the organization, are critical and have a vital role to play in Lupin's growth and success. Coupled with the LESAR (Lupin Employees Stock Appreciation Rights Scheme), Lupin ensures that all of its people are eligible and suitably rewarded for performing in the long term.

FINANCIAL REVIEW

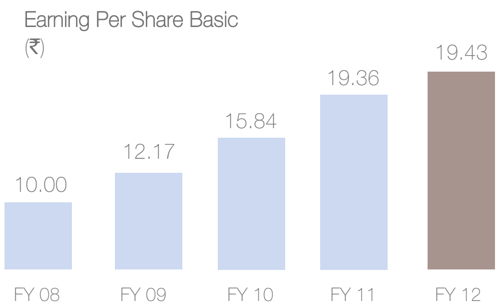
"Despite volatility in markets, Lupin's valuations have increased 11 times in the last 7 years. This reflects the investor confidence in our growth story

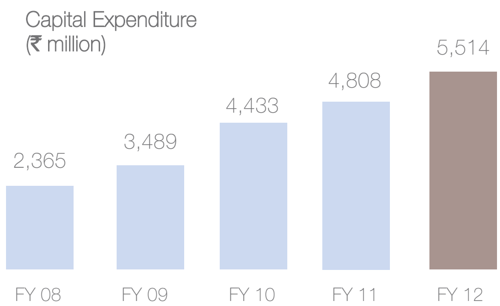
Ramesh Swaminathan
President
Finance & Planning

After seven years of consecutive growth, Lupin has a growth formula that has survived the test of time. The Company's consistent growth curve, underpinned by prudent financial planning ensures that our balance sheet is sound and can be leveraged to support a variety of strategic initiatives for the future.

With our partners and alliances we share a common vision for the future of the global pharmaceutical industry and we are committed to a long-term strategy that is being carefully executed. Highlights of the Company's financial performance for the past financial year:

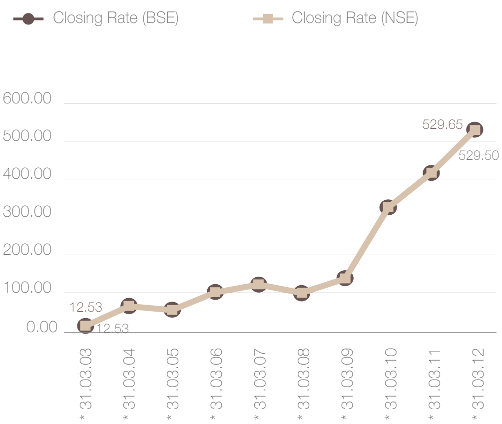
- The Company recorded consolidated revenues of ₹ 69,597 million in FY 2012, reflecting a growth of 22%, up from ₹ 57,068 million in FY 2011
- Earnings before Interest Tax Depreciation and



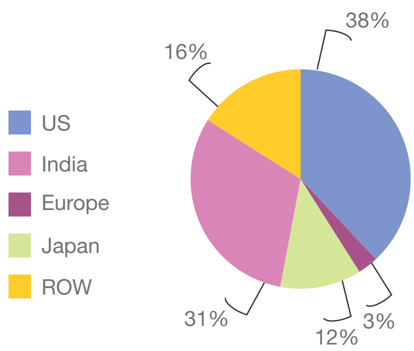


BUILT FOR RETURNS

Lupin Share price movement (₹)



Major Markets



Amortization (EBITDA) increased grew by 22% to ₹ 14,590 million during FY 2012, up from ₹ 12,000 million the previous fiscal

- The Company's Net Profits grew to ₹ 8,676 million during FY 2012

Importantly, Lupin's market capitalisation increased by 27% in FY 2012. Considering the global headwinds, this is a reflection of investor confidence in the Company's growth story and our policies of fiscal prudence.

DIVIDENDS & TAXATION

The Company recorded earnings per share of ₹ 19.43 during FY 2012. Taking into account shareholder commitment over the years, the Board of Directors recommended a dividend of 160%.

The aggregate tax obligations of the Company were significantly higher during FY 2012 due to certain tax free production zones losing their benefits and tax that was levied on inventories shipped to overseas subsidiaries for new launches, resulting in an increase in effective tax rates. The effective tax rate for the Company for FY 2012 was 25.8%.

STRONG GROWTH ACROSS MARKETS

Lupin's Advanced Markets Formulation sales (US, Europe and Japan) increased by 25% to ₹ 35,885 million for FY 2012, up from ₹ 28,818 million the previous year. Lupin remains the 5th largest generic player in the US in terms of prescriptions (IMS Health – Dec 2011) and is currently the market leader in 20 products & amongst the Top 3 by market share in 35 products out of the 41 products in the US generics market. Lupin's Japanese subsidiary, Kyowa grew by 39% to ₹ 8,607 million during FY 2012 and contributed 12% of the Company's overall revenues.

Net sales for Lupin's India Region Formulations business grew 23% to ₹ 19,059 million during FY 2012.

Lupin's South African subsidiary, Pharma Dynamics, grew by 40% to ₹ 2,554 million as against ₹ 1,829 million in FY 2011.

HIGH R&D INVESTMENT

Revenue Expenditure on R&D increased to ₹ 5,228 million at 7.5% of net sales, which is an indicator of our continued investments in research to improve our future earnings quality. We plan to maintain R&D spend at current levels and focus on further developing our Advanced Drug Delivery platforms, our Novel Drug Discovery and

Development pipeline as well as our Biotechnology programs. We believe that these areas are going to be the future drivers of growth and would enable the Company to create a long term and differentiated value proposition.

A STRONG BALANCE SHEET

Prudent financial planning, effective resource allocation and tight financial control have ensured that the cash flows of the Company remain healthy. The ability of the Company to raise credit remains unimpaired. Lupin's short-term debt program continues to receive the highest rating from ICRA.

Net operating working capital increased to ₹ 19,028 million as on 31st March, 2012 as against ₹ 13,082 million the previous year. Lupin continues to invest in manufacturing and building new technologies and FY 2012 saw capital expenditure increase to ₹ 5,514 million. The debt equity ratio stood at 0.30 as on 31st March, 2012 as compared to 0.23 as on 31st March 2011.

INTERNAL CONTROL SYSTEMS

Lupin globally has adopted strong, scalable and automated internal business controls and a process framework that is not only adequate for its current size of operations and business globally but can effectively support rapid increases in growth and complexity across our business operations. A well-established and empowered system of internal financial audits and automated control procedures ensures prudent financial control, flexibility in terms of process changes to enable course correction.

Chartered Accountants M/s Khimji Kunverji and Co. act as our internal auditors and submit reports and updates to the Audit Committee of the Board, which conducts frequent reviews and provides direction and operational guidance on new processes to be implemented to further enhance efficiencies within the Company.

INFORMATION TECHNOLOGY (IT)

For a company of Lupin's level of complexity in terms of business scale and mix, excellence in IT is a must. The Company has over the last decade made consistent investments to put together the building blocks for creating a truly scalable; technologically advanced; process integrated IT enabled organization globally.

During FY 2012, Lupin focused on integrating its subsidiaries into a common technological environment. This included assimilating them into the Company's global Enterprise Resource Planning (SAP) and Business Intelligence (BI) platforms. A key achievement was the implementation of the SAP and BI platform across Lupin's Advanced Market businesses, the US, European and Japanese subsidiaries of the company integrating them with our global manufacturing operations. This would not only ensure better operational and transactional control over our global supply chain but also help achieve better realizations from our key business over the long term.

Lupin's IT Services group has been diligently working on re-engineering our internal Business Process Management and workflow framework to help build process efficiencies across the Company's operations.

RISKS CONCERNS & THREATS

Lupin has in place proven risk management measures and mechanisms that mitigate environmental, operational and business risks. The Company has put in place forecasting systems and a framework that helps tackle economic, financial, geo-political and social risks and enables proactive decision making to put in place strategies to counter them.

The Company's continued focus on developing a pipeline of value added generics with an accent on complex products based on its proprietary Advanced Drug Delivery platforms; its entry into less competitive niche therapy segments like Oral Contraceptives, Ophthalmology and Dermatology; segments that require dedicated and advanced technology & manufacturing prowess has a gone a long way in building a strong competitive position that limits the threat and risk of price erosion within the global generics industry.

Our consistent investments in ramping up our manufacturing operations globally and our strategy to remain a vertically integrated pharmaceutical business is a critical differentiator that has created a substantial competitive advantage over our peers in the global marketplace.

Lupin's current business expansion and growth objectives have been well planned and the Company remains well positioned to raise debt easily, on the most competitive terms for a variety of strategic initiatives including acquisitions. Our forecasting systems and due diligence on foreign exchange and the ensuing currency hedging strategy for the short, mid and the long term through forward exchange contracts and derivatives have also minimized risk for the Company and have buffered volatility in exchange rates.

Drug Price Control Order (DPCO) continues to be a cause of concern for the Indian Pharmaceutical Industry. Under the National Pharmaceutical Pricing Policy, 2011, proposed by the Department of Pharmaceuticals, the government has further sought to fix and regulate prices of all 348 essential drugs and their combinations, which will cover 60% of drugs sold in the country. However, over the years, Lupin's product mix and the chosen markets, segments it operates in and a consumer driven-therapy segment pricing strategy have meant that DPCO directives are increasingly less material to the overall business mix for Lupin's Indian formulations business.

Lupin has consciously adopted a de-risking strategy by not only having a forward looking procurement strategy with multiple suppliers for raw materials, services and finished goods globally but also put in place forecasting systems that have enabled the Company predict adverse price volatility and fluctuations which has helped the company plan better.

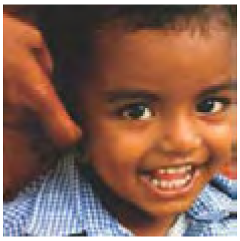
We are determined to continue to outperform the market because we have built within Lupin a culture for growth, in the systems and practices within the business, as well as continued investment in our people driven by a thirst for new discoveries. This growth mission is our heritage; our driving force and our singular common vision.

CORPORATE SOCIAL OBLIGATION

> "We must contribute back to the Society in which our Company has flourished to ensure collective progress
>
> Dr Desh Bandhu Gupta
> Founder and Chairman
> Lupin Human Welfare & Research Foundation

70 percent of India lives in villages. Lupin Human Welfare and Research Foundation (LHWRF) was established 24 years ago with a mission to assist those less fortunate in rural India. LHWRF has been successful in creating and undertaking a series of well-planned, sustainable and integrated rural development initiatives. Starting with a few small rural development projects covering around 35 villages in the Bharatpur District of Rajasthan, LHWRF has evolved into one of the largest NGOs and social development initiatives ever undertaken by a corporate in South Asia. We have touched the lives of 2.5 million people across 3,000 villages in the states of Rajasthan, Madhya Pradesh, Maharashtra and Uttarakhand.

The main objective of the Foundation is socio-economic upliftment of families that are Below the Poverty Line (BPL) with special focus on women empowerment, healthcare and education.





BUILT TO SERVE








LHWRF's initiatives have been focused on holistic, all-round and inclusive development of the community. The main focus areas are:

ECONOMIC DEVELOPMENT

- Agriculture and Forestry
- Animal Husbandry and Dairy
- Rural Industries and Micro-finance

SOCIAL DEVELOPMENT

- Health and Nutrition
- Education
- Women Empowerment

INFRASTRUCTURE DEVELOPMENT

- Low Cost Houses
- Water Resource Development
- Low cost sanitation

CHANGE INDIA

LHWRF has now set a mission for uplifting the lives of “One Crore” people living in rural India to above the poverty line. The Program is spread across 8 districts in 3 states. Plans are also underway to impart skills upgradation training to 100,000 BPL youths within 5 years with assured job placement or self-employment.

We are humbled by the fact that LHWRF's work is transforming lives across India. This is a long-term commitment from Lupin. We firmly believe that we must contribute back to the Society in which our Company has flourished to ensure collective progress. Lupin is Built to Serve.



BUILT AS ONE

Lupin is poised and ready for its future. We have all the elements in place to play a major role in the global pharmaceutical landscape and to continue our mission of delivering consistent high growth in revenues, margins and returns for our Company and its stakeholders.

Our culture of growth is built upon trust and transparency in all our dealings and in all our relationships. Be those relationships with our customers, our investor communities, our people or society at large.

We are proud to be part of an industry that can make a real difference to people's lives. We now stand ready to grasp opportunities emerging in a new world. Global economies are going though challenging times. Over our 44-year history we have been through such cycles before and we have learnt that a firm foundation, a passionate growth ethic embedded in a sound business strategy, underpinned by a strong balance sheet are the essentials for success.

A thirst for growth has been the common thread binding us with our heritage. But for us, growth is not just the numbers; it is our part in enhancing the knowledge, experience and talent of our people that we value and nurture. We are an agile organization, working as a global team, creating and unlocking value. Lupin is Built as One, Built to Enrich.

SIX YEAR FINANCIAL SUMMARY

CONSOLIDATED BALANCE SHEET ₹ in million

As at March 31,	2007	2008	2009	2010	2011	2012
SOURCES OF FUNDS						
Shareholders' funds						
Equity Share Capital	803.4	820.8	828.2	889.4	892.4	893.3
Reserves & Surplus	7,929.7	11,976.0	13,420.0	24,788.9	31,918.4	39,235.6
	8,733.1	12,796.8	14,248.2	25,678.3	32,810.8	40,128.9
Minority Interest [31.03.2007 Rs.27/-]		94.5	142.5	254.9	515.1	722.9
Loan Funds						
Secured Loans	3,911.2	7,080.6	7,569.2	8,722.4	7,885.9	8,170.4
Unsecured Loans	4,736.4	4,948.2	4,663.5	2,676.1	3,738.0	8,229.8
	8,647.6	12,028.8	12,232.7	11,398.5	11,623.9	16,400.2
Deferred Tax Liabilities (net)	1,027.2	1,248.0	1,387.2	1,630.4	1,791.8	1,910.1
TOTAL	**18,407.9**	**26,168.1**	**28,010.6**	**38,962.1**	**46,741.6**	**59,162.1**
APPLICATION OF FUNDS						
Fixed Assets						
Gross Block	9,527.9	14,858.8	18,200.3	22,937.1	26,388.5	36,878.4
Less : Depreciation and Amortisation	2,382.1	4,697.5	6,188.3	7,072.2	9,075.1	14,421.8
Net Block	7,145.8	10,161.3	12,012.0	15,864.9	17,313.4	22,456.6
Capital Work-in-Progress (incl. Capital Advances)	825.5	963.8	2,239.7	3,578.7	5,319.3	4,973.7
	7,971.3	11,125.1	14,251.7	19,443.6	22,632.7	27,430.3
Goodwill on Consolidation	-	1,872.3	3,173.7	3,196.8	3,254.9	5,040.0
Investments	28.0	58.2	215.6	264.3	31.5	28.0
Deferred Tax Assets (net)	1.3	141.2	222.8	195.4	380.5	467.8
Other Assets						
Inventories	4,298.1	7,893.4	9,571.6	9,714.9	11,999.6	17,326.7
Receivables	4,038.5	7,439.0	9,179.7	11,265.7	12,556.4	17,318.1
Cash & Bank Balances	3,844.5	2,741.8	777.7	2,015.3	4,201.4	4,024.7
Others	2,448.2	2,367.0	2,779.7	4,758.6	6,186.6	7,704.6
	14,629.3	20,441.2	22,308.7	27,754.5	34,944.0	46,374.1
Other Liabilities						
Liabilities	3,515.2	6,018.8	10,334.8	9,663.4	11,779.3	16,891.3
Provisions	706.8	1,451.1	1,827.1	2,229.1	2,722.7	3,286.8
	4,222.0	7,469.9	12,161.9	11,892.5	14,502.0	20,178.1
Net Other Assets	10,407.3	12,971.3	10,146.8	15,862.0	20,442.0	26,196.0
TOTAL	**18,407.9**	**26,168.1**	**28,010.6**	**38,962.1**	**46,741.6**	**59,162.1**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

₹ in million

Year ended March 31,	2007	2008	2009	2010	2011	2012
INCOME						
Sales (Gross)	21,949.0	29,007.4	38,428.9	48,009.5	57,421.7	70,017.2
Less : Excise Duty	579.4	666.4	479.0	273.2	353.5	420.2
Sales (net)	21,369.6	28,341.0	37,949.9	47,736.3	57,068.2	69,597.0
Other Operating Income	500.7	575.9	637.1	762.5	1,121.5	1,232.1
Other Income	257.3	211.3	125.5	351.1	221.9	143.5
Total Income	**22,127.6**	**29,128.2**	**38,712.5**	**48,849.9**	**58,411.6**	**70,972.6**
EXPENDITURE						
Cost of Materials	9,320.8	11,638.0	16,043.1	19,694.2	22,379.3	26,039.0
Employee Benefits Expense	2,199.9	3,076.0	4,871.3	5,871.5	7,675.6	9,695.3
Manufacturing and Other Expenses	5,694.1	7,991.2	10,359.2	13,303.3	16,356.4	20,647.7
Total Expenses	**17,214.8**	**22,705.2**	**31,273.6**	**38,869.0**	**46,411.3**	**56,382.0**
Profit before Interest, Depreciation & Tax	4,912.8	6,423.0	7,438.9	9,980.9	12,000.3	14,590.6
Finance Cost	372.2	373.5	498.6	384.9	344.8	354.7
Depreciation and Amortisation	466.1	647.4	879.9	1,239.1	1,711.8	2,275.2
Profit before Tax	4,074.5	5,402.1	6,060.4	8,356.9	9,943.7	11,960.7
Current Tax	779.6	1,022.6	727.0	1,109.8	1,176.3	2,756.2
Deferred Tax	128.5	180.6	106.2	250.4	(26.5)	329.4
Fringe Benefit Tax	80.0	114.8	149.8	-	-	-
Net Profit before Minority Interest and Share of Loss in Associates	3,086.4	4,084.1	5,077.4	6,996.7	8,793.9	8,875.1
Minority Interest	0.8	1.3	28.6	111.6	148.4	198.6
Share of Loss in Associates	-	0.3	33.4	68.8	20.0	-
Net Profit	**3,085.6**	**4,082.5**	**5,015.4**	**6,816.3**	**8,625.5**	**8,676.5**

Note : Figures are suitably regrouped to make them comparable.

LUPIN 2012

REPORTS AND FINANCIALS

FORWARD - LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral that we periodically make, containforward-looking statements that set out anticipated result based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using word such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting their report on the business and operations of your Company for the year ended March 31, 2012.

Financial Results

(` in million)

	Standalone		Consolidated	
	2011-12	**2010-11**	**2011-12**	**2010-11**
Sales (Gross)	53579.1	44616.0	70017.2	57421.7
Profit before interest, depreciation and tax	11653.5	9755.3	14590.6	12000.3
Less: Interest and finance charges	286.8	275.7	354.7	344.8
Less: Depreciation and amortisation	1319.6	1042.8	2275.2	1711.8
Profit before tax	10047.1	8436.8	11960.7	9943.7
Less: Provision for taxation (including deferred tax)	2003.4	337.0	3085.6	1149.8
Net Profit before Minority Interest and Share of loss in Associate	-	-	8875.1	8793.9
Less: Minority Interest and Share of loss in Associate	-	-	198.6	168.4
Net Profit	**8043.7**	**8099.8**	**8676.5**	**8625.5**
Add: Surplus brought forward from previous year	14647.9	9945.1	15946.1	10521.8
Less: Adjustment on account of amalgamation of subsidiaries	-	338.9	-	43.6
Amount available for Appropriation	**22691.6**	**17706.0**	**24622.6**	**19103.7**
Appropriations:				
Transfer to General Reserve	1500.0	1500.0	1500.0	1500.0
Dividend on Equity Shares by an overseas subsidiary	-	-	93.4	80.6
Proposed dividend on Equity Shares	1429.2	1338.6	1429.2	1338.6
Dividend on Equity Shares for previous year	0.3	2.0	0.3	2.0
Corporate tax on dividend	231.9	217.5	254.5	236.4
Balance carried to Balance Sheet	19530.2	14647.9	21345.2	15946.1
	22691.6	**17706.0**	**24622.6**	**19103.7**

Performance Review

During the year, your Company's turnover crossed ` 70,000 million, with Consolidated Gross Sales clocking ` 70017.2 million as against ` 57421.7 million of the previous year, higher by 22%. International markets accounted for 69% of sales. Profit before interest, depreciation and tax also increased by 22% at ` 14590.6 million as against ` 12000.3 million in the previous year. The Company achieved PBT of ` 11960.7 million, higher by 20%. After providing for taxes and minority interest, the net profit was at ` 8676.5 million. Provision for tax was higher mainly on account of withdrawal of Income tax benefits for EOU units, effective April 1, 2011. Earning per share was ` 19.43.

Dividend

Your Directors are pleased to recommend dividend at ` 3.20 per equity share of ` 2/- each, absorbing an amount of ` 1429.2 million. The corporate tax on proposed dividend aggregates ` 231.9 million.

Share Capital

During the year, the paid-up equity share capital of your Company rose by ` 0.9 million consequent to allotment of 440492 equity shares of ` 2/- each to eligible employees under the 'Lupin Employees Stock Option Plan 2003', 'Lupin Employees Stock Option Plan 2005' and 'Lupin Subsidiary Employees Stock Option Plan 2005'.

Credit Rating

ICRA Limited reaffirmed its **"A1+"** (pronounced "A one plus") rating for your Company's working capital lines of ` 11000 million from banks. This rating is the highest-credit-quality rating by ICRA for such borrowings.

The Company also enjoys **"LAA+"** (pronounced "L double A plus") rating from ICRA for non-convertible debentures (NCDs) of ` 1000 million. This rating is the high-credit-quality rating for long-term debt instruments. However during the year, the Company has not issued any long-term NCDs.

Acquisition

In its strategy to pursue inorganic growth for further accelerating its progress and expanding its presence in select geographies, your Company's wholly-owned subsidiary Kyowa Pharmaceutical Industry Co., Ltd., Japan acquired 99.99% stake in I'rom Pharmaceutical Co., Ltd., (IP), Japan. IP specialises in manufacturing and marketing of infusion and other injectable pharmaceutical products. It is one of the few companies in Japan with bag (Infusion) manufacturing infrastructure with support from major wholesalers and relationship with Innovator companies. The Company believes that acquisition of IP would help focussing on in-house products and upgrading marketing and sales functions in the important market of Japan.

Subsidiary Companies

As on March 31, 2012, the Company had 19 subsidiaries. Generic Health SDN. BHD., Malaysia, wholly - owned subsidiary was incorporated on May 18, 2011. Since there was no operation in Generic Health Inc., U.S.A., the said company was wound up with effect from October 4, 2011.

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 forms part of this Annual Report. Information pertaining to performance/financials of subsidiary companies is disclosed in the Consolidated Financial Statements.

Management Discussion & Analysis

A detailed Management Discussion and Analysis forms part of this Annual Report.

Corporate Governance

Report on Corporate Governance forms an integral part of this Annual Report. The Auditors' certificate certifying compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement is also annexed to this Report.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 (Act), your Directors confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year ended March 31, 2012 and of the profit of your Company for that year;

iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and

iv) the Directors had prepared the annual accounts on a 'going concern' basis.

Directors

Due to professional commitments, Mr. K. V. Kamath chose to step down from the directorship of the Company w.e.f. November 9, 2011. The Board records its sincere appreciation of the valuable contribution and learned advice rendered by Mr. Kamath during his tenure as a director of the Company.

Dr. Vijay Kelkar, Mr. Richard Zahn and Mr. R. A. Shah retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed by Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure 'A'.

Fixed Deposits

Your Company has not accepted any fixed deposit during the year under review and no deposit was outstanding as on March 31, 2012. As on March 31, 2012, 50 deposits aggregating ` 0.5 million were lying unclaimed with the Company, of which three deposits aggregating ` 31,000/- have since been claimed. Reminders are continuously sent to the depositors concerned to claim repayment of their matured deposits.

Auditors

The Statutory Auditors of the Company, M/s. Deloitte Haskins & Sells, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and the Board recommend the re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of your Company.

M/s. Khimji Kunverji & Co., Chartered Accountants, Mumbai, are the Internal Auditors of the Company.

Cost Auditors

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and in terms of General Circular No.15/2011 dated April 11, 2011 and with the prior approval of the Central Government, Mr. S. D. Shenoy (Fellow Membership No.8318) practising Cost Accountant, was appointed to conduct audit of cost records of Bulk Drugs and Formulations for the year ended March 31, 2012. Cost audit reports would be submitted to the Central Government within the prescribed time.

Pursuant to Rule 5 of the Companies (Cost Audit Report) Rules, 2011, cost audit reports for Bulk Drugs and Formulations for the year ended March 31, 2011 were filed with the Central Government on September 27, 2011.

Employees Stock Appreciation Rights/Stock Options

During the year, 'Lupin Employees Stock Appreciation Rights Scheme 2011' ('LESAR') was introduced for senior executives of the Company with an object to attract, retain and motivate talent in the Company as also to enable them to participate in the long-term growth and financial success of the Company. 'Lupin Employees Benefit Trust' was formed and 'Barclays Wealth Trustees (India) Private Limited' were appointed as independent trustee for implementing the said Scheme. Under LESAR, eligible employees are entitled to receive appreciation in value of shares of the Company upon completion of vesting period of three years. During the year, the Trust acquired 463425 shares under the Scheme.

During the year, the Company also introduced 'Lupin Employees Stock Option Plan 2011' and 'Lupin Subsidiary Companies Employees Stock Option Plan 2011' for grant of stock options to eligible employees as approved by the Remuneration Committee. Pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the details of stock options granted by the Company during the year under different plans are set out in Annexure 'B' forming part of this Report.

Human Resources

Your Company firmly believes that people are its most valued resource and their efficiency plays a key role in achieving defined goals and building a competitive work environment. In its pursuit to attract, retain and develop best available talents, several programmes are regularly conducted at various levels across the Company. Employee relations continued to be cordial and harmonious across all levels and all the units of the Company.

Particulars of Employees

Particulars of employees required to be furnished pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 (Act), read with Companies (Particulars of Employees) Amendment Rules, 2011, are given as an annexure to this Report. However, pursuant to the provisions of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to all the members excluding the aforesaid Annexure. Members, who are interested in the information, may write to the Company Secretary at the registered office of the Company.

Acknowledgements

Your Directors express their gratitude to the various departments of the central and state governments, customers, business associates, medical professionals, suppliers, distributors, shareholders, analysts, banks and financial institutions for their continued support as also to all employees of the Company for their efforts, commitment, dedication and contributions.

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman

Mumbai, May 10, 2012

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

i) Installed light energy saving panels.

ii) Replaced shell and tube heat exchanger with PHE type.

iii) Installed motion sensors on service floors and corridors.

iv) Redistributed and resized header of various utilities, condensers and chillers.

v) Installed green fuel (agro waste) boiler.

vi) Replaced electric heating with steam heating.

vii) Installed active harmonic filters.

viii) Re-designed distillation column.

ix) Installed add-on capacitor bank with APFC meter.

x) Synchronised chillers.

xi) Replaced PVC fins of cooling towers.

b) Additional investments and proposals:

i) Install wind power turbine.

ii) Use effluent recycled water for cooling towers.

iii) Reduce air compressor unloading.

iv) Harmonics and power factor improvements.

v) Use solar energy.

vi) Install DO analyser in ETP Aeration tank.

vii) Install heat integration system.

viii) Optimisation of agro waste boiler to minimise load on furnace oil boiler.

c) Impact of measures in (a) & (b):

i) Optimal utilisation of resources resulting in overall efficiency improvement.

ii) Reduced fuel, water and power consumption.

iii) Improved boiler efficiency.

iv) Reduction in overall energy costs.

d) Total energy consumption and energy consumption per unit of production:

Details are given in Form A

FORM 'A'
(See Rule 2)
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Year ended March 31, 2012	Year ended March 31, 2011
A. POWER & FUEL CONSUMPTION			
1. Electricity			
a) Purchased Units	**Thousand KWH**	220235	185695
Total amount	**` in Mn.**	1343.0	1043.4
Rate/unit (KWH)	`	6.1	5.6
b) Own Generation			
i) Through Diesel Generator (HSD)			
Units	**Thousand KWH**	6614	6945
Units per litre of diesel oil	**KWH**	3.2	3.0
Cost/unit (KWH)	`	13.1	13.3
ii) Through Generator (furnace oil)			
Units	**Thousand KWH**	242	5162
Units per litre of furnace oil	**KWH**	5.8	4.0
Cost/unit (KWH)	`	5.2	6.0
iii) Through Generator (gas)			
Units	**Thousand KWH**	15123	19656
Units per M^3 of Natural gas	**KWH**	3.7	3.5
Cost/unit (KWH)	`	6.9	5.5
2. Coal		Nil	Nil
3. Furnace oil (Boiler)			
Quantity	**KL**	16987	15811
Total amount	**` in Mn.**	628.1	417.4
Rate/unit (KL)	`	36976	26400
4. i) Natural gas			
Quantity	**Cu. mts.**	14441656	14093322
Total amount	**` in Mn.**	319.1	243.1
Rate/unit (Cu. mt.)	`	22.1	17.3
ii) Briquette (Boiler)			
Quantity	**MT**	816.1	164.4
Total amount	**` in Mn.**	3.6	0.7
Rate/unit (MT)	`	4.4	4.3

B. CONSUMPTION PER UNIT OF PRODUCTION:

The Company manufactures APIs and several drug formulations of different pack sizes. It is therefore, impractical to apportion the consumption and cost of utilities to each product.

NOTE:
There are no specific standards, as the consumption per unit depends upon the product mix. Variations in consumption are due to different product mix.

B. TECHNOLOGY ABSORPTION:

e) Efforts made in technology absorption as per Form B are given below:

FORM 'B'
(See Rule 2)
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTI0N

Research and Development (R & D)

1) Specific areas in which R&D was carried out by the Company:

The Company continued to invest across the R&D value chain and sharpened its focus on strengthening every aspect of its research programs. The Company has created one of the most differentiated and quality pipelines for Generics globally, be it the advanced markets or emerging markets. The Company continues to work on and invest in developing Advanced Drug Delivery Systems (ADDS) diligently. The year also saw the Company ink landmark out-licensing and collaborative research deals for its ADDS platforms. It also made rapid advances in its Novel Drug Discovery and Development (NDDD) Programs and witnessed heightened activity in its Biotechnology Research programs.

2) Benefits derived as a result of the above R&D:

The Company made 55 filings for the advanced markets of US, EU, Canada, Australia, Japan and South Africa, the highest ever for any fiscal year. During the year, the Company filed 25 Abbreviated New Drug Applications (ANDAs) with the U.S. FDA taking the cumulative number to 173. The Company received 16 approvals from the U.S. FDA taking the cumulative approvals to 64. The cumulative approvals for the EU markets including UK stood at 58. During the year, the Company filed 12 U.S. DMFs, 36 MAAs and 3 EDMFs/COSs and received 3 approvals in the UK, 1 in France and 2 in Australia. Furthermore, the total first-to-file tally stood at 22. Of the 10 NDDD research programs initiated, multiple offer first-in-class opportunities and 6 have progressed to lead-to-clinical candidate phase. The Company's Biotechnology group is working on 10 proteins which are in different stages of development. The Company is close to securing marketing authorisation for 2 oncology products for the Indian market. While clinical trials for 2 products are scheduled to commence, another 2 have already progressed into the pre-clinical stage during the year.

3) Future plan of action:

Having consolidated itself in the pharma and generics space, the Company will continue to focus on developing its NDDD, biopharmaceutical product pipeline and further advancing its ADDS programs. The Company firmly believes that these programs and the pipelines therein would be the key drivers of future growth which would enable the Company to evolve as a global generics and speciality pharmaceutical powerhouse.

4) Expenditure on R&D (Consolidated):

a. Capital	` 933.3 Mn.
b. Recurring (excluding depreciation of ` 221.9 Mn.)	` 5006.4 Mn.
c. Total	` 5939.7 Mn.
d. Total R&D expenditure as a percentage of net sales	8.5 %

Technology absorption, adaptation and innovation:

i) **Efforts in brief, made towards technology absorption, adaptation and innovation:**

One of the key reasons why the Company continues to witness sustained growth across markets has been the collaborative framework that it operates globally; where the core business and strategy groups work in tandem with the regulatory, research and intellectual property groups for creating business plans, entry strategies and a quality pipeline. This collaborative process has helped the Company harness and combine strong research competencies with a deep understanding of business and markets.

ii) **Benefits derived as a result of the above efforts:**

The Company registered strong growth across global markets and therapy segments and continued to witness heightened activity in terms of record filings, development of new technologies and launch of cost-effective drugs for both emerging as well as advanced markets. The Company has significant leadership and presence in the Cardiovascular, Diabetology, Asthma, Paediatric, CNS, GI, Anti-Infective and NSAID space in addition to being global leaders in the Anti-TB and Cephalosporin segments. The Company continues to be the 5th largest and fastest growing generics player in the U.S. (5.1% market share by prescriptions, IMS Health) and also continues to be amongst the fastest growing generic pharmaceutical player in India, Japan and South Africa (IMS).

iii) **Imported technology:**

During the year, the Company did not import any specific technology. The Company developed technology through efforts of its in-house Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

f) Information regarding exports activities and related matters is covered elsewhere in this Annual Report.

g) Earning in foreign exchange was equivalent to ` 32444 Mn. and expenditure ` 11068 Mn.

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman

Mumbai, May 10, 2012

ANNEXURE ‘B’ TO THE DIRECTORS’ REPORT

DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2012

In terms of Clause 12.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the particulars of options on March 31, 2012 are as under:

No.	Description	Details	
a)	Options granted during the year	**Plan**	**No. of options**
		ESOP 2005	82500
		SESOP 2005	11000
		SESOP 2011	161380
		ESOP 2011	1845750
		Total	**2100630**
b)	The pricing formula	• Exercise price for 2050630 options is the market price of the shares, as defined under the SEBI Guidelines. • Exercise price for 50000 options is 50% of the market price of the shares, as defined under the SEBI Guidelines.	
c)	Options vested during the year	**Plan**	**No. of options**
		ESOP 2003	190375
		ESOP 2005	255900
		SESOP 2005	101767
		Total	**548042**
d)	Options exercised during the year	**Plan**	**No. of options**
		ESOP 2003	103067
		ESOP 2005	278710
		SESOP 2005	58715
		Total	**440492**
e)	Total number of shares arising as result of exercise of options	**Plan**	**No. of options**
		ESOP 2003	103067
		ESOP 2005	278710
		SESOP 2005	58715
		Total	**440492**
f)	Options lapsed during the year	Lapsed on account of resignation of employees: • 115000 options under ESOP 2003 • 89300 options under ESOP 2005 • 86500 options under ESOP 2011	
g)	Variation of terms of options	There has been no variation in terms of the options granted during the year, from those approved by the shareholders.	
h)	Money realised by exercise of options	• ` 14,099,224.30 under ESOP 2003 • ` 29,708,198.38 under ESOP 2005 • ` 7,826,995.02 under SESOP 2005	
i)	Total number of options in force	• 1085783 options under ESOP 2003 • 1250090 options under ESOP 2005 • 500421 options under SESOP 2005 • 161380 options under SESOP 2011 • 1759250 options under ESOP 2011	

No.	Description	Sr. No.	Names	No. of Options	Plan
j)	Employee-wise details of options granted to				
	i. Senior Managerial Personnel	**Sr. No.**	**Names**	**No. of Options**	**Plan**
		1.	Dr. Kamal K. Sharma	50000	ESOP 2005
		2.	Mr. Ray Tsunoda	30000	SESOP 2011
	ii. Employees to whom options granted amounting to 5% or more, of the total options granted during the year.	1.	Dr. Nilendu Sen	32500	ESOP 2005
		2.	Dr. Kamal K. Sharma	50000	ESOP 2005
		3.	Mr. Ewan Liwesey	11000	SESOP 2005
		4.	Mr. Ewan Liwesey	19000	SESOP 2011
		5.	Mr. Ray Tsunoda	30000	SESOP 2011
		6.	Mr. Andrew Macaulay	18300	SESOP 2011
		7.	Mr. Arvind Mathur	9170	SESOP 2011
		8.	Mr. Ulrich Jorg	10885	SESOP 2011
		9.	Mr. Michael Proctor	18700	SESOP 2011
		10.	Mr. Kazuya Taniguchi	10680	SESOP 2011
		11.	Mr. Shinya Kato	10010	SESOP 2011
	iii. Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year.	Nil			

k)	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of options during the year and ESOPs outstanding as on 31.03.2012, calculated in accordance with Accounting Standard (AS) 20 ‘Earnings per share’	` 17.94
l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company.	Adjusted EPS: - Basic : ` 17.57 - Diluted : ` 17.50
m)	Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price of options granted during the year whose :-
		a. Exercise price equals market price : ` 456.46 b. Exercise price is greater than market price: N.A. c. Exercise price is less than the market price: ` 223.25
		Weighted average fair value of options granted during the year whose :-
		a. Exercise price equals market price: ` 212.31 b. Exercise price is greater than market price: N.A. c. Exercise price is less than the market price: ` 289.50
n)	Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information: • Fair value calculated by using Black-Scholes option pricing formula. • Stock price: The closing price on NSE as on the date of grant has been considered for valuing the options granted. • Volatility: The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options. • Risk free rate of return : The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities. • Time to Maturity: Time to Maturity / Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised. • Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for the four financial years preceding the date of the grant.	

Variables	**Weighted Average Information**							
Plan	**ESOP 2005**	**ESOP 2005**	**SESOP 2005**	**SESOP 2011**	**SESOP 2011**	**SESOP 2011**	**SESOP 2011**	**ESOP 2011**
Grant date	21.07.11	18.11.11	14.04.11	13.07.11	20.09.11	06.12.11	18.01.12	02.08.11
Risk free rate (%)	8.41	8.75	7.90	8.31	8.55	8.55	8.14	8.41
Expected life (years)	6.45	5.50	6.45	6.25	6.25	6.25	6.25	6.25
Volatility (%)	36.19	35.89	37.64	36.30	35.75	35.75	35.52	36.19
Dividend yield (%)	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Stock price (NSE closing rate) `	446.85	449.30	413.95	469.05	483.55	466.05	433.05	459.85
Option Fair Value `	**204.02**	**289.50**	**189.82**	**218.06**	**224.18**	**212.75**	**194.74**	**212.37**

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman

Mumbai, May 10, 2012

1 Company's Philosophy on Corporate Governance:

Your Company firmly believes in transparency and accountability as the two basic tenets of corporate governance and that responsible corporate conduct is an integral part of its business. The true spirit of corporate governance lies in the phrase 'Your Company' as it belongs to 'you', the shareowners. Your Company strongly believes in the best practices in corporate governance in their true sense and spirit. In this direction, your Company is committed to benchmark with the highest standards of corporate governance. The cornerstone of the Company's governance policy is trusteeship, transparency, professionalism and accountability. The Company is of the firm view that an active and independent Board is integral to the organisation to ensure the best standards of governance. The Board of Directors has an appropriate mix of executive and independent directors who are eminent persons with vast experience and expertise. They are ably supported by competent professionals across the organisation.

Apart from complying with all the mandatory requirements, the Company has been complying with several non-mandatory ones prescribed by Clause 49 of the Listing Agreement, such as formation of Remuneration Committee and Whistle Blower Policy. The Codes of Conduct adopted by the directors and senior management personnel have been posted on the website of the Company (www.lupinworld.com). All board members and senior management personnel have affirmed their compliance with the respective codes for the year ended March 31, 2012. Pursuant to Clause 49(I)(D) of the Listing Agreement, requisite declaration to this effect has been given by the Managing Director. The Company continues to be in the regime of unqualified financial statements and there was no audit qualification in its financial statements for the year ended March 31, 2012.

A Whistle Blower Policy has been instituted across the Company and its subsidiaries. It empowers employees to raise their concerns or highlight issues if there are any discriminatory or gender-biased conducts, fraudulent business practices, unethical behaviour or violation of the Company's Code of Conduct. Employees have the option to do so in absolute anonymity or by disclosing their identity without any fear of victimisation, reprisals or adverse actions.

Sound systems of internal checks and control as also risk management are in place across the Company. They are evaluated and updated at regular intervals. Risk management includes review of the business risk environment, identifying top risks in terms of exposure, risk levels and their trends, potential impact and progress of mitigation plans. Interviews and workshops are conducted as also interactive sessions organised at various levels at different locations of the Company with a view to identifying risks. Key risk elements are deliberated upon at meetings of the top management for remedial action.

A detailed Management Discussion and Analysis report forms part of this Annual Report.

2 Board of Directors:

The strength of the Board as on March 31, 2012 was ten, of which, three are executive promoter directors, one is a non-executive promoter director, one is an executive director and five are independent directors which is in conformity with Clause 49(I)(A)(ii) of the Listing Agreement. The requisite particulars are given below: -

Sl. No.	Name of the director	Whether Promoter/ Executive/ Independent	No. of Board Meetings during the year		Attendance at the last AGM	Number of directorships of other companies	Member/chairman of committees other than the Company
			Held	Attended			
1.	Dr. Desh Bandhu Gupta, *Chairman*	P. & E.D.	5	5	Yes	7	-
2.	Dr. Kamal K. Sharma, *Managing Director*	E.D.	5	5	Yes	7	-
3.	Mrs. M. D. Gupta, *Executive Director*	P. & E.D.	5	5	Yes	7	-
4.	Mrs. Vinita Gupta	P. & N-E.D.	5	4	Yes	2	-
5.	Mr. Nilesh Gupta, *Executive Director*	P. & E.D.	5	5	Yes	6	-
6.	Mr. K. V. Kamath (up to 09.11.2011)	I. N-E.D.	4	4	Yes	4	2/-
7.	Dr. Vijay Kelkar	I. N-E.D.	5	4	Yes	10	2/-
8.	Mr. Richard Zahn	I. N-E.D.	5	4	Yes	1	-
9.	Mr. R. A. Shah	I. N-E.D.	5	4	Yes	22	9/4
10.	Dr. K. U. Mada	I. N-E.D.	5	5	Yes	3	5/2
11.	Mr. D. K. Contractor	I. N-E.D.	5	5	Yes	4	2/-

Notes:

(a) P. & E.D.: Promoter & Executive Director; E.D.: Executive Director; P. & N-E.D.: Promoter & Non-Executive Director; I. N-E.D.: Independent Non-Executive Director.

(b) In the case of Mr. R. A. Shah, directorships include a foreign company, three private limited companies and six Alternate directorships of public limited companies.

(c) Mrs. M. D. Gupta is the wife of Dr. Desh Bandhu Gupta, Mrs. Vinita Gupta their daughter and Mr. Nilesh Gupta their son.

(d) Membership/Chairmanship of Committees includes only those of the Audit Committee and the Investors' Grievances Committee.

Board Meetings

The Board of Directors provides guidance and strategic direction to the management and evaluates effectiveness of management policies in achieving the goals set. While overseeing management performance, it ensures adherence to the highest standards of corporate governance. Board meeting dates are finalised in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. Board members are free to bring up any matter for consideration of the Board. While the Board is apprised on a regular basis about important business-related developments, detailed presentations on important matters are made by key management personnel and business heads. Minutes of Board Meetings are circulated to all Directors in advance and confirmed at the subsequent Board Meeting. Copies of signed minutes of various Committees of the Board, minutes of Board Meetings of subsidiaries of the Company as also Compliance Report in respect of various laws and regulations applicable to the Company are tabled at Board Meetings.

Details of Board Meetings

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board meets at least once in every quarter and the time gap between two meetings is not more than four months. During the year, five Board Meetings were held on May 12, 2011, July 27, 2011, September 13, 2011, November 9, 2011 and January 24, 2012. The Board passed by circulation six resolutions dated April 21, 2011 (two resolutions), September 23, 2011 (two resolutions), February 14, 2012 (one resolution) and March 26, 2012 (one resolution).

Remuneration to Executive Directors

	Remuneration during 2011-12 (` million)			
Particulars of Remuneration	**Dr. Desh Bandhu Gupta,** ***Chairman***	**Dr. Kamal K. Sharma,** ***Managing Director***	**Mrs. M. D. Gupta,** ***Executive Director***	**Mr. Nilesh Gupta,** ***Executive Director***
Fixed Component:				
Salary	31.80	43.86	3.60	25.31
Benefits / Allowances	7.83	1.36	1.08	0.58
Provident Fund / Superannuation	4.86	8.71	0.97	5.25
Variable Component:				
Performance-Linked Incentive	-	17.49	-	7.38
Commission [Note (b)]	105.50	-	-	-
Stock Options	-	12.07	-	-
Total	**149.99**	**83.49**	**5.65**	**38.52**

Remuneration to Non - Executive Directors

Sl. No.	Name of the director	No. of equity shares held	Remuneration during 2011-12 (` million)		
			Sitting fees	Commission [Note (c)]	Total
1.	Mrs. Vinita Gupta	51600	0.08	-	0.08
2.	Mr. K. V. Kamath	Nil	0.08	2.00	2.08
3.	Dr. Vijay Kelkar	Nil	0.08	3.00	3.08
4.	Mr. Richard Zahn	Nil	0.08	2.16	2.24
5.	Mr. R. A. Shah	15000	0.12	3.00	3.12
6.	Dr. K. U. Mada	3350	0.28	2.00	2.28
7.	Mr. D. K. Contractor	13300	0.25	0.75	1.00

Notes:

(a) Dr. Desh Bandhu Gupta, Chairman, Dr. Kamal K. Sharma, Managing Director, Mrs. M. D. Gupta, Executive Director and Mr. Nilesh Gupta, Executive Director, are in whole-time employment of the Company and their employment is contractual in nature. While Dr. Desh Bandhu Gupta and Mrs. M. D. Gupta hold office up to December 31, 2015, Dr. Sharma holds office up to September 28, 2012 and Mr. Nilesh Gupta holds office up to October 7, 2013.

(b) Dr. Desh Bandhu Gupta is entitled to a commission @ 1% of the net profit, calculated in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956.

(c) The members vide a Special Resolution by postal ballot, the result of which was announced on December 21, 2010, approved payment of commission to the non-executive directors, not exceeding in the aggregate 0.5% p.a. of the Company's net profit, computed in the manner laid down by the provisions of Sections 198, 349 and 350 and other applicable provisions, if any, of the Companies Act, 1956, for a period of five years commencing from April 1, 2010. The Board is authorised to decide upon the eligibility criteria and the quantum of commission payable to each non-executive director. An amount of ` 12.91 million has been provided towards commission payable to non-executive directors for the year 2011-12.

(d) On November 18, 2011, 50,000 stock options were granted to Dr. Kamal K. Sharma at an exercise price of ` 223.25 (being 50% of the market price) under the "Lupin Employees Stock Option Plan 2005". The vesting period of the options is 12 months and the same are exercisable within ten years from the date of the grant.

(e) During the year, M/s. Crawford Bayley & Co., Solicitors & Advocates, of which Mr. R. A. Shah, non-executive director, is a senior partner, was paid professional fees aggregating ` 0.30 million, which constitute less than one percent of the total revenues of the firm and an insignificant fraction of the Company's turnover. The Company has taken a legal opinion on the subject confirming that the said firm does not have a material association with the Company and payment of the fees is not material enough to impinge on the independence of Mr. Shah.

Brief profiles, other directorships and committee memberships etc. of directors seeking re-appointment at the 30th Annual General Meeting: -

Dr. Vijay Kelkar

Dr. Vijay Kelkar is a Ph.D, from the University of California at Berkeley, M.S. from the University of Minnesota and B.S. from Pune University. He held senior positions in the Government of India and was Chairman/ Member of several high-powered committees, councils, task forces, working groups, set up by different ministries and departments of the Government of India. Dr. Kelkar had delivered lectures at the Universities of California, Pennsylvania, Vanderbilt, Harvard and Cornell in the US and was visiting Professor at the South Asia Institute, Heidelberg University, West Germany and Center for Economic Development and Administration, Government of Nepal. He was a senior faculty member of the Administrative Staff College of India, Hyderabad and Instructor - Microeconomics, University of California, U.S.A. Dr. Kelkar has authored many books, publications and journals on micro and macro economics, reforms of union public sector, emerging challenges and on trade policies. In 2011, Dr. Kelkar was conferred 'Padma Vibhushan' for his distinguished and exemplary service to the nation.

Dr. Kelkar was on the Board of the Company during the period October 19, 2005 to December 31, 2007. On his appointment as Chairman of the 13th Finance Commission, Dr. Kelkar relinquished his directorship w.e.f. December 31, 2007. Dr. Kelkar re-joined the Board on January 29, 2010.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
The National Stock Exchange of India Ltd., *Chairman*	J. M. Financial Ltd., *Member of Audit Committee.*
Green Infra Ltd., *Chairman*	Tata Consultancy Services Ltd., *Member of Audit Committee.*
CSIR - Tech Pvt. Ltd., *Chairman*	The National Stock Exchange of India Ltd., *Member of Remuneration Committee.*
Tata Consultancy Services Ltd., *Director*	
JSW Steel Ltd., *Director*	
J. M. Financial Ltd., *Director*	
Roche Scientific Company India Pvt. Ltd., *Director*	
Orbis Capital Ltd., *Director*	
Indian Institute for Human Settlements, *Director*	
Britannia Industries Ltd., *Director*	
Go Airlines (India) Ltd., *Director*	

Mr. Richard Zahn

Mr. Richard Zahn is a B. S. (Business Administration) with Honors, Kansas State Teachers College, Kansas. He has completed Executive Education with Amos Tuck School, Dartmouth University, Harvard/MIT Program on Negotiation, The Wharton School, University of Pennsylvania, National Association of Corporate Directors - Certificate of Director Education. Mr. Zahn has also completed program in Executive Leadership, Cornell University.

Mr. Richard is the Managing Partner of HMJ Global Partners, a corporate governance and not-for-profit public policy advisory group. With more than 30 years of experience in the biotechnology and pharmaceutical industries, he is an established leader and strategist in healthcare research and development, marketing management, managed care and human resources. He is widely recognised as an insightful speaker on economic and policy issues.

Mr. Richard was President of Schering Laboratories, U.S., Director, Schering Corporation and Corporate Vice President of Schering-Plough Corporation, a global research-based company engaged in the discovery, development, manufacturing and marketing of pharmaceutical, biotechnology and healthcare prescription pharmaceutical marketing arm for Schering-Plough. Mr. Richard spent 20 years at Johnson & Johnson. Mr. Richard has focussed his efforts on rural economic development and public policy. He has received several awards for his devoted work towards various organisations and charities with particular focus on health care and minority issues.

List of other directorships	Chairman/Member of the committees of the board of the companies on which he is a director
Metagenics Private Limited, *Director*	-

Mr. R. A. Shah

Mr. R. A. Shah is an eminent Solicitor and senior partner of M/s. Crawford Bayley & Company, a leading firm of Solicitors and Advocates in Mumbai. He specialises in a broad spectrum of Corporate Laws in general, with special focus on foreign investments, joint ventures, technology and license agreements, intellectual property rights, mergers and acquisitions, competition law and insider trading regulations. Mr. Shah is a member of the Managing Committee of Bombay Chamber of Commerce and Indo German Chamber of Commerce.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
Godfrey Phillips India Ltd., *Chairman*	Colgate Palmolive India Ltd., *Chairman of Audit Committee.*
Pfizer Ltd., *Chairman*	The Bombay Dyeing & Mfg. Co. Ltd., *Member of Audit Committee and Member of the Remuneration Committee.*
Roche Scientific Company (India) Pvt. Ltd., *Chairman*	
Clariant Chemicals (India) Ltd., *Chairman*	Wockhardt Ltd., *Member of Audit Committee.*
Procter & Gamble Hygiene and Healthcare Ltd., *Chairman*	Pfizer Ltd., *Chairman of Audit Committee*
	BASF India Ltd., *Member of Audit Committee*
Colgate Palmolive India Ltd., *Vice-Chairman*	Abbott India Ltd., *Member of Audit Committee*
Abbott India Ltd., *Director*	Clariant Chemicals (India) Ltd., *Chairman of Audit Committee*
Asian Paints Ltd., *Director*	
The Bombay Dyeing & Mfg. Co. Ltd., *Director*	Century Enka Ltd., *Member of Audit Committee*
BASF India Ltd., *Director*	Procter & Gamble Hygiene and Healthcare Ltd., *Chairman of Audit Committee*
Deepak Fertilisers & Petrochemicals Corporation Ltd., *Director*	
Jumbo World Holdings Ltd.(Foreign Company), *Director*	
Piramal Capital Pvt. Ltd., *Director*	
ACC Ltd., *Director*	
Wockhardt Ltd., *Director*	
Century Enka Ltd., *Director*	
BASF Polyurethanes India Ltd., *Alternate Director*	
Atul Ltd., *Alternate Director*	
Modicare Ltd., *Alternate Director*	
RPG Life Sciences Ltd., *Alternate Director*	
Schrader Duncan Ltd., *Alternate Director*	
Uhde India Pvt. Ltd., *Alternate Director*	

3 Audit Committee:

The Audit Committee comprises Dr. K. U. Mada (Chairman) and Mr. D. K. Contractor, independent directors and Dr. Kamal K. Sharma, Managing Director. Mr. R. V. Satam, Company Secretary & Compliance Officer, is the Secretary of the Committee. All members of the Audit Committee are financially literate. Dr. Mada is an eminent economist and development banker. Mr. Contractor retired as Executive Director, Central Bank of India. Dr. Mada attended the last Annual General Meeting of the members held on July 27, 2011. The Audit Committee meetings are attended by the finance head, representatives of accounts, statutory auditors, internal auditors and cost auditors. The Committee acts as a link between the statutory, internal and cost auditors and the Board. The Committee addresses matters pertaining to adequacy of internal checks and controls, audit test checks, reliability of financial statements and provisions for liabilities. The Committee performs the functions enumerated in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

The matters deliberated upon by the Committee include: -

1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2) Recommending to the Board, the appointment of statutory auditors, fixation of audit fees and approval of payments for any other services rendered by them.
3) Reviewing with the management the quarterly and annual financial statements before submission to the Board for approval with particular reference to: -
    a) matters required to be included in the Directors' Responsibility Statement in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
    b) changes, if any, in accounting policies and practices and reasons for the same;
    c) major accounting entries involving estimates based on the exercise of judgment by management;
    d) significant adjustments made in the financial statements arising out of audit findings;
    e) compliance with listing and other legal requirements relating to financial statements;
    f) disclosure of related party transactions; and
    g) qualifications in the draft audit report, if any.
4) Reviewing the financial statements of subsidiary companies as also the consolidated financial statements including investments made by the subsidiary companies.
5) Reviewing with the management, the performance of statutory and internal auditors and adequacy of the internal control systems.
6) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, it's staffing, reporting structure, coverage and frequency of audits.
7) Discussion with the internal auditor's significant findings and follow-up thereon.
8) Reviewing the findings of internal auditors and reporting them to the Board.
9) Discussion with statutory auditors before the audit commences about the nature and scope of audit as also post-audit discussion to ascertain areas of concern.
10) Look into the reasons for any defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors.
11) Review the functioning of the Whistle Blower mechanism.
12) Review and discuss with the management the status and implications of major legal cases.
13) Recommend to the Board, the appointment of a Cost Accountant within the meaning of the Cost & Works Accountants Act, 1959 to conduct audit of cost records of the Company in compliance with the provisions of the Companies Act, 1956 and rules made thereunder.
14) Carrying out such other functions as may be mentioned in the terms of reference of the Audit Committee.

In addition to the above, the Committee reviews the management discussion and analysis, statements of significant related party transactions, management letters etc.

Details of Audit Committee Meetings

During the year, five meetings of the Audit Committee were held on May 12, 2011, July 27, 2011, September 23, 2011, November 9, 2011 and January 24, 2012 and the attendance was as follows: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, *Chairman*	5	5
b.	Dr. Kamal K. Sharma	5	2
c.	Mr. D. K. Contractor	5	5

4 **Investors' Grievances Committee:**

The Investors' Grievances Committee specifically looks into the redressal of investors' grievances and functioning of the Investors' Services Department. The Committee reviews multifaceted activities of the Department viz. dematerialisation of shares, transfer of shares in physical form, disbursement of dividend, management of employees stock option plans, transfer of unclaimed amount to Investor Education and Protection Fund, transfer of unclaimed shares to a 'Suspense Account' as per the provisions of the Listing Agreement and depository operations. The Committee also evaluates service delivery mechanism implemented by the Department.

The Investors' Grievances Committee comprises two independent non-executive directors, namely Mr. D. K. Contractor, Chairman and Dr. K. U. Mada. Mr. R. V. Satam, Company Secretary & Compliance Officer, acts as the Secretary of the Committee. Meetings of the Investors' Grievances Committee are also attended by the finance head and head of Investors' Services Department.

During the year, the Company received and resolved 27 complaints from shareholders. As on March 31, 2012, no complaints remained pending/un-attended and no share transfers remained pending for over 30 days, during the year.

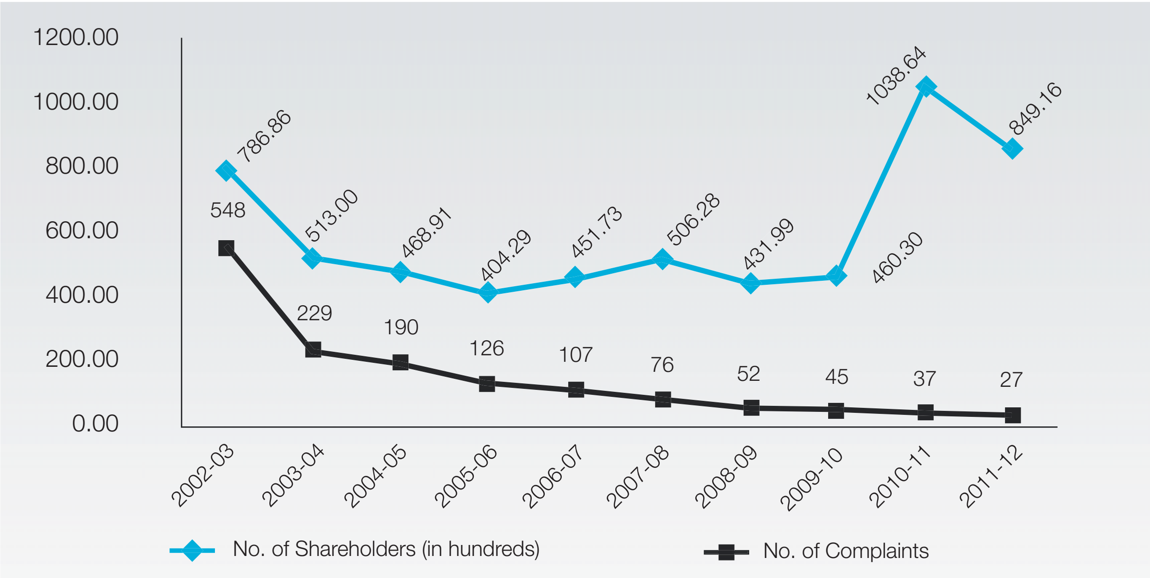
Details of the Investors' Grievances Committee Meetings

During the year, two meetings of the Investors' Grievances Committee were held on September 23, 2011 and March 30, 2012 and the attendance was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Mr. D. K. Contractor, *Chairman*	2	2
b.	Dr. K. U. Mada	2	2

Number of shareholders vis-a-vis complaints received and resolved over the decade:

Financial year	No. of shareholders (at the financial year end)	No. of complaints received and resolved (during the financial year)
2002-03	78686	548
2003-04	51300	229
2004-05	46891	190
2005-06	40429	126
2006-07	45173	107
2007-08	50628	76
2008-09	43199	52
2009-10	46030	45
2010-11	103864	37
2011-12	84916	27



5 **Remuneration Committee:**

The Remuneration Committee comprises independent directors, namely Dr. K. U. Mada (Chairman) and Mr. R. A. Shah. Mr. R. V. Satam, Company Secretary & Compliance Officer, acts as the Secretary of the Committee. The Committee performs functions spelt out in Clause 49 of the Listing Agreement and Schedule XIII of the Companies Act, 1956. The Committee reviews and recommends remuneration of executive directors and approves grant of stock options to employees of the Company and its subsidiaries. The Company follows a market-linked remuneration policy. While recommending the remuneration package, factors such as position, experience, expertise, leadership qualities, responsibilities to be shouldered by the individual, volume of Company's business and profits earned by it are kept in view. The Company has formulated employees stock option plans to attract, retain and reward talented and qualified personnel so as to create a sense of belonging among them.

Details of the Remuneration Committee Meetings

During the year, four meetings of the Remuneration Committee were held on June 2, 2011, August 2, 2011, February 3, 2012 and March 30, 2012, the attendance was as under: -

Sl. No.	Name of the Director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, *Chairman*	4	4
b.	Mr. R. A. Shah	4	4

The Committee passed by circulation eight resolutions dated April 14, 2011, July 13, 2011, July 21, 2011, September 20, 2011, November 18, 2011, December 6, 2011, December 7, 2011 and January 18, 2012.

6 **General Body Meetings:**

Details of the last three Annual General Meetings: -

Year	Day, Date and Time	Location	No. of Special Resolutions passed
2008 - 09	Wednesday, July 29, 2009 at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	One
2009 - 10	Wednesday, July 28, 2010 at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	-
2010 - 11	Wednesday, July 27, 2011 at 2.30 p.m.	Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050	-

No business was required to be transacted through postal ballot at the above meetings. Similarly, no business is required to be transacted through postal ballot at the forthcoming Annual General Meeting.

7 Disclosure on materially significant related party transactions:

The Company does not have materially significant related party transactions with its directors, promoters, management or their relatives, etc. which may have potential conflict with the interests of the Company. Statements of transactions with related parties are placed at meetings of the Audit Committee which reviews the same. Particulars of transactions in which Directors are interested are recorded in the Register of Contracts maintained pursuant to the provisions of Section 301 of the Companies Act, 1956 which is placed before every meeting of the Board of Directors and signed by all the Directors present. During the year under review, M/s. Crawford Bayley & Co., Solicitors & Advocates (of which Mr. R. A. Shah is a senior partner) was paid ` 0.30 million towards professional fees. Apart from sitting fees, commission and professional fees, there is no pecuniary transaction with non-executive directors. In compliance with Accounting Standard AS 18, details of related party transactions are disclosed in the notes to accounts forming part of the balance sheet and statement of profit and loss for the year. As the Company complied with all requirements of the Stock Exchanges, SEBI and other statutory authorities on matters related to capital markets during the last three years, no penalty was imposed nor was any stricture passed against the Company.

8 Means of communication:

Quarterly and annual financial results of the Company are promptly submitted to the stock exchanges immediately after the same are approved by the Board. Thereafter, they are published in prominent English (The Economic Times, all editions) and Marathi (Maharashtra Times, Mumbai edition) newspapers. Results are posted on the Company's website viz. www.lupinworld.com. In compliance with Clause 52 of the Listing Agreement, annual report, financial results, quarterly corporate governance compliance reports and quarterly shareholding pattern are uploaded on the 'Corporate Filing and Disseminations System' website www.corpfiling.co.in. The Company's website also displays official news releases and presentations made to institutional investors and analysts. Disclosures pursuant to various clauses of the Listing Agreement are promptly communicated to the stock exchanges from time to time.

9 General Members' information:

❖ ***INVESTORS' SERVICES DEPARTMENT–Building enduring relationships…through service***

The Investors' Services Department (ISD) is committed and has dedicated itself for rendering services to meet needs/requirements of its esteemed shareholders. It has developed refined systems for providing value added services, besides expeditious redressal of investor grievances and timely compliances of regulatory provisions related to shares.

The Department has established direct connectivity with both the depositories viz. the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for reliable and prompt depository operations.

The Department deals with the various matters relating to:

- Transfer and transmission of shares in physical mode
- Dematerialisation/rematerialisation of shares
- Regulatory compliances pertaining to shares
- Redressal of investor grievances
- Execution of corporate actions and other depository operations
- Implementation of Code of Conduct adopted pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992
- Disbursement of dividend and reminders to claim the unpaid dividend
- Allotment of shares and listing thereof on the stock exchanges
- Liaison with stock exchanges, depositories and other regulatory bodies
- Implementation of employees stock option plans
- Transfer of unclaimed amount to Investor Education and Protection Fund (IEPF)
- Management of postal ballots
- Activities related to transfer and release of unclaimed shares
- Dissemination of share related information on the Company's website, Corporate Filing and Dissemination System (CFDS), NSE's Electronic Application System (NEAPS) and SEBI Complaints Redress System (SCORES)

The ISD is located at the Registered Office of the Company and can be approached for any query or assistance through letter, telephone, fax, email or in-person at:

- 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, India.
  Tel: +91 22 6640 2323 (Ext: 2402/3)
  Fax: +91 22 2652 8806 Email: investorservices@lupinpharma.com

For the convenience of investors, a link at the Company's website www.lupinworld.com has also been provided to reach the ISD.

Exclusive email id for investor grievances:

Pursuant to Clause 47 (f) of the Listing Agreement, the following email id has been exclusively designated for communicating investor grievances:

investorservices@lupinpharma.com

- Person in-charge of the Department: Mr. Pradeep Bhagwat, General Manager - Investors' Services.

❖ *ANNUAL GENERAL MEETING*

The 30th Annual General Meeting will be held at 2.30 p.m. on Tuesday, July 24, 2012, at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.

❖ *FINANCIAL CALENDAR*

First quarter results	:	July/August 2012
Second quarter results	:	October/November 2012
Third quarter results	:	January/February 2013
Annual results	:	April/May 2013
Annual General Meeting	:	July/August 2013

❖ *BOOK CLOSURE*

The Register of Members and the Share Transfer Register will remain closed from Tuesday, July 17, 2012 to Tuesday, July 24, 2012, (both days inclusive).

Dividend for the year ended March 31, 2012, if declared, at the Annual General Meeting, shall be paid to:

a) beneficial owners at the end of business day on Monday, July 16, 2012 as per lists furnished by NSDL and CDSL in respect of shares held in electronic form; and

b) persons whose names appear on the Register of Members as at the end of the business day on Monday, July 16, 2012 in respect of shares held in physical form.

❖ *DIVIDEND PAYMENT DATE*

Dividend, if declared, shall be paid within three working days from the date of the Annual General Meeting. Dividend shall be remitted through National Electronic Clearing Service (NECS), wherever bank details including MICR no. are available with the Company, and in other cases, through warrants, payable at par.

❖ *SHARES LISTED AT*

The equity shares of the Company are listed at:

Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai Samachar Marg,
Mumbai - 400 001.

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Annual Listing fees for the year 2012-13 have been paid to the stock exchanges. The Company has also paid the Annual Custodial fees to both the depositories.

- ***STOCK CODES***

The stock codes of the Company are:
BSE : 500257
NSE : LUPIN

- ***INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)***

ISIN is a unique identification number allotted to dematerialised scrip. The ISIN has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN of the equity shares of the Company is **INE 326A 01037**.

- ***CORPORATE IDENTITY NUMBER (CIN)***

CIN of the Company, allotted by the Ministry of Corporate Affairs, Government of India:
L24100MH1983PLC029442.

- ***MARKET PRICE DATA***

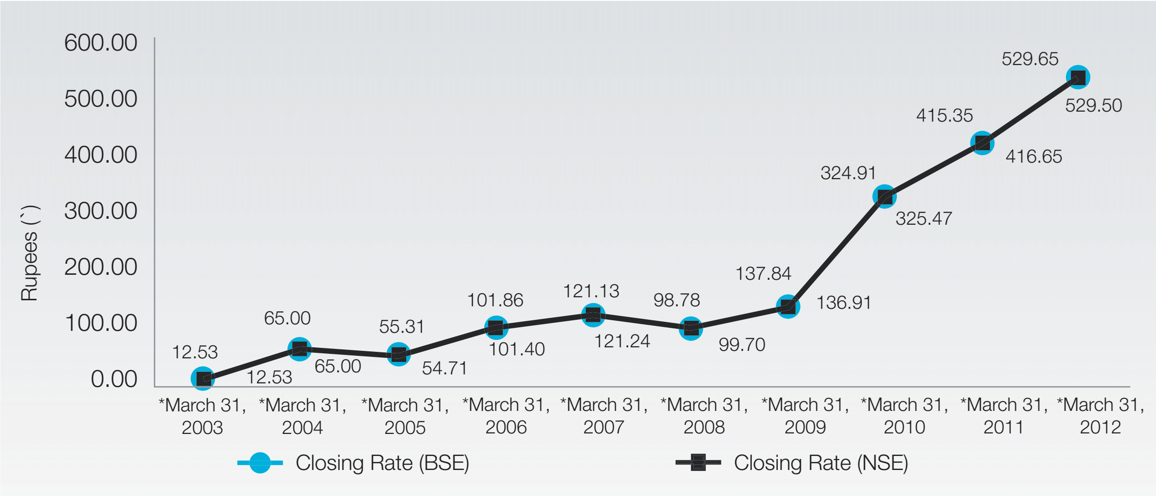
Equity shares of the Company are traded in A group and are also available for trading in Futures & Options (F & O) segment of the NSE and BSE.

The market-price data covering the year April 2011 to March 2012 is given below:

	BSE				NSE			
	`		`		`		`	
MONTH	**High**	**Date**	**Low**	**Date**	**High**	**Date**	**Low**	**Date**
Apr-2011	445.50	29.04.11	405.00	06.04.11	446.40	29.04.11	404.65	06.04.11
May-2011	472.00	31.05.11	404.55	13.05.11	472.50	31.05.11	406.15	12.05.11
Jun-2011	476.00	01.06.11	419.00	20.06.11	475.90	01.06.11	419.95	20.06.11
Jul-2011	489.65	18.07.11	441.10	21.07.11	489.35	18.07.11	441.00	21.07.11
Aug-2011	472.00	29.08.11	426.80	08.08.11	472.00	29.08.11	426.40	08.08.11
Sep-2011	492.00	21.09.11	450.00	02.09.11	492.30	21.09.11	449.00	02.09.11
Oct-2011	491.80	28.10.11	450.00	13.10.11	494.00	28.10.11	448.80	07.10.11
Nov-2011	489.00	08.11.11	438.05	18.11.11	486.70	08.11.11	438.20	18.11.11
Dec-2011	484.00	01.12.11	409.50	14.12.11	482.90	01.12.11	408.20	14.12.11
Jan-2012	478.95	31.01.12	420.00	16.01.12	479.95	31.01.12	419.30	16.01.12
Feb-2012	509.50	15.02.12	412.15	09.02.12	509.50	15.02.12	457.10	22.02.12
Mar-2012	532.60	30.03.12	475.95	01.03.12	536.90	22.03.12	476.60	01.03.12

Lupin Share price movement

The closing market price on the bourses at the end of each financial year, over the decade:



* Share prices are adjusted considering issue of bonus shares in the ratio of 1:1 on August 17, 2006 and further, sub-division of face value of shares from ` 10/- each to ` 2/- each, effective August 30, 2010.

Note: The stock price performance shown above should not be considered indicative of potential future stock price performance.

❖ ***DEMATERIALISATION OF SHARES AND LIQUIDITY***

Trading in shares of the Company is permitted only in dematerialised form and the same are available for trading with both the depositories (CDSL and NSDL) with whom the Company has established direct connectivity. The demat requests received by the Company are continually monitored to expedite the process of dematerialisation. Demat requests are confirmed to the depositories within five working days of receipt.

To enable us to serve better, we request shareholders holding shares in physical form to dematerialise the same. Shareholders holding shares in demat form are requested to promptly update their bank details, email id etc. with their respective depository participants.

During the year, the Company electronically confirmed demat requests for 595150 equity shares. As on March 31, 2012, 99.38% of the total shares issued by the Company were held in dematerialised form.

Shares of the Company are fairly liquid and are traded actively on the BSE and NSE. Following is the trading data for the year April 2011 to March 2012:

(Value in mn. `)

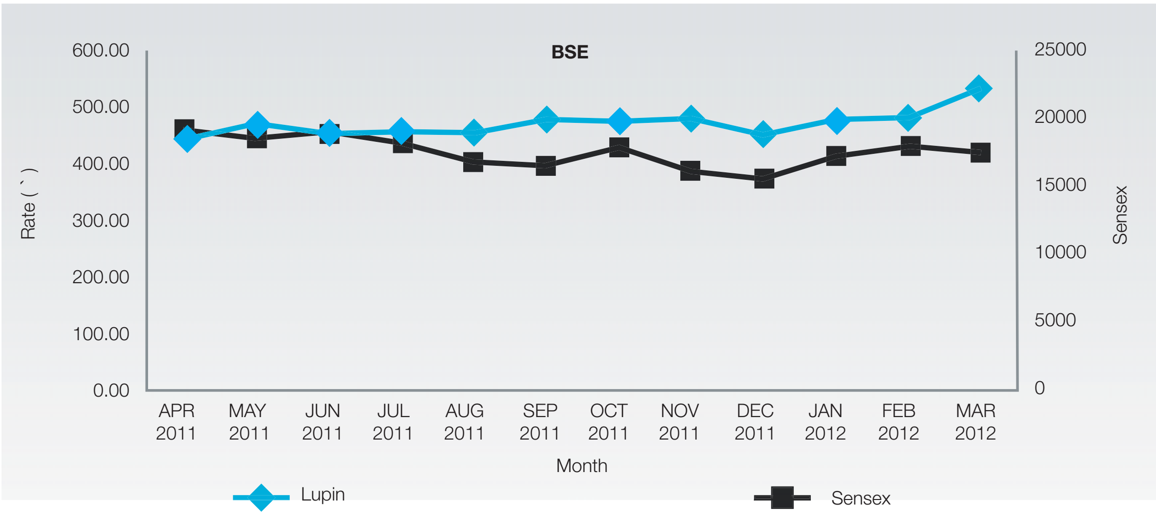
Month	BSE		NSE		Total	
	Shares	Value (`)	Shares	Value (`)	Shares	Value (`)
Apr - 2011	2402429	999.78	16546165	6907.57	18948594	7907.35
May - 2011	3295869	1436.93	22265857	9749.72	25561726	11186.65
Jun - 2011	2504822	1116.16	18190480	8107.83	20695302	9223.99
Jul - 2011	2713462	1254.44	22427320	10376.77	25140782	11631.21
Aug - 2011	1598226	723.10	16176521	7321.36	17774747	8044.46
Sep - 2011	1855906	886.66	19414316	9240.77	21270222	10127.43
Oct - 2011	1105788	515.62	16225326	7597.56	17331114	8113.18
Nov - 2011	953817	443.31	11057447	5146.51	12011264	5589.82
Dec - 2011	2585331	1141.50	20249755	8821.75	22835086	9963.25
Jan - 2012	1513299	668.88	16453760	7273.80	17967059	7942.68
Feb - 2012	1026737	494.57	11366178	5463.42	12392915	5957.99
Mar - 2012	1857388	946.56	15023916	7601.83	16881304	8548.39
Total	**23413074**	**10627.51**	**205397041**	**93608.89**	**228810115**	**104236.40**

❖ ***PERFORMANCE IN COMPARISON WITH BROAD BASED INDICES***

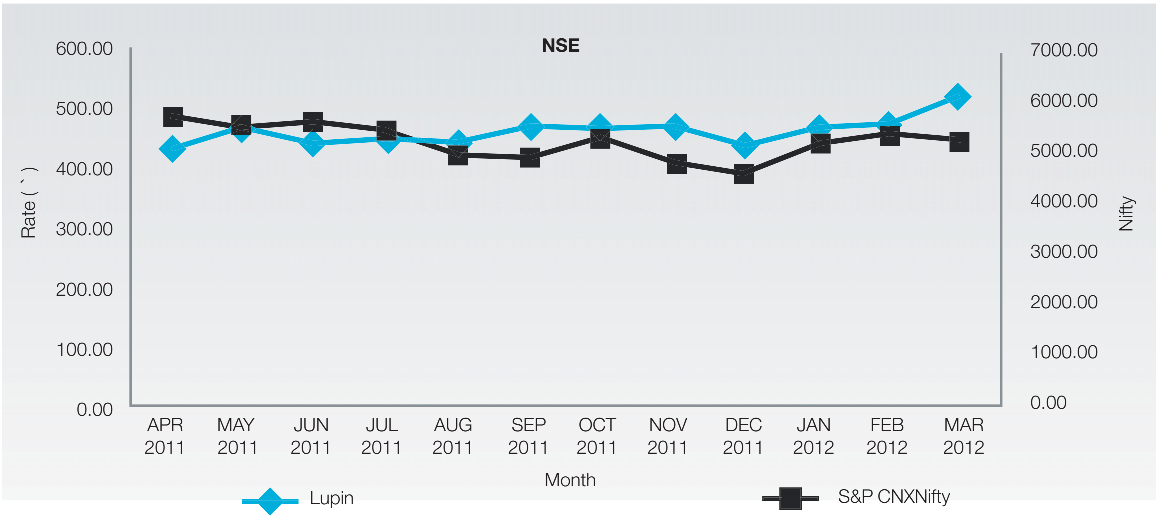
Lupin share price compared with BSE Sensex and NSE S&P CNX Nifty (Month-end closing) during the year April 2011 to March 2012

Month	BSE		NSE	
	Lupin share price (`)	Sensex	Lupin share price (`)	S&P CNX Nifty
Apr – 2011	439.00	19135.96	440.85	5749.50
May – 2011	469.85	18503.28	469.90	5560.15
Jun – 2011	448.55	18845.87	449.20	5647.40
Jul – 2011	454.60	18197.20	454.75	5482.00
Aug – 2011	449.95	16676.75	448.75	5001.00
Sep – 2011	472.95	16453.76	474.35	4943.25
Oct – 2011	470.00	17705.01	470.20	5326.60
Nov – 2011	472.75	16123.46	474.35	4832.05
Dec – 2011	447.20	15454.92	447.85	4624.30
Jan – 2012	473.75	17193.55	475.00	5199.25
Feb – 2012	480.40	17752.68	480.85	5385.20
Mar – 2012	529.65	17404.20	529.50	5295.55

LUPIN SHARE PRICE COMPARED TO BSE SENSEX



LUPIN SHARE PRICE COMPARED TO NSE S&P CNX NIFTY



❖ *EVOLUTION OF SHARE CAPITAL*

Particulars of Equity Share Capital of the Company:

Year of issue	Allotment of shares (of the face value of ` 10/- each)	Total issued	
		No. of shares during the year	Capital at the end of the year (`)
2001 - 02	40141134 shares upon amalgamation *	40141134	401411340
2006 - 07	11360 shares under ESOP (Pre - Bonus) 40152494 shares as bonus (in the ratio of 1:1) 39576 shares under ESOP (Post - Bonus)	40203430	803445640
2007 - 08	1656100 shares upon conversion of FCCB 80231 shares under ESOP	1736331	820808950
2008 - 09	571069 shares upon conversion of FCCB 167586 shares under ESOP	738655	828195500
2009 - 10	307541 shares under ESOP 5816742 shares upon conversion of FCCB	6124283	889438330
2010 - 11	170691 shares under ESOP (Pre Sub-division)		
	Allotment of shares (of the face value of ` 2/- each) 628569 shares under ESOP (Post Sub-division)	799260	892402378
2011 - 12	440492 shares under ESOP	440492	893283362

* Amalgamation of Lupin Laboratories Limited with Lupin Chemicals Limited whose name was changed to Lupin Limited.

❖ *SHARE TRANSFER SYSTEM*

Company's shares in dematerialised form are transferrable through depositories. Transfer of Shares in physical form are registered by the Investors' Services Department of the Company and placed before the Share Transfer Committee for its approval.

The Board has constituted a Share Transfer Committee comprising Dr. Desh Bandhu Gupta, or in his absence, Dr. Kamal K. Sharma as Chairman of the Committee. Mrs. M. D. Gupta and Mr. D. K. Contractor are the members. The Committee generally meets once a fortnight to consider and approve the transfer/transmission of shares, issuance of duplicate/sub-divided share certificates and requests for dematerialisation/rematerialisation of Company's shares. The Committee met 23 times during the year and approved transfer of 419400 equity shares.

Valid share transfer documents are processed and duly endorsed share certificates are forwarded to the respective transferees within 20 days from the date of receipt. In terms of Clause 47 (c) of the Listing Agreement, every six months, a qualified Company Secretary in Practice undertakes audit of the share transfer related activities carried out by the Department and issues a compliance certificate, which is submitted to the stock exchanges.

❖ *ALLOTMENT COMMITTEE*

The Board has delegated powers to the Allotment Committee of Directors to allot the shares of the Company. Dr. Desh Bandhu Gupta, or in his absence, Dr. Kamal K. Sharma is Chairman of the Committee. Mrs. M. D. Gupta is a member.

The Allotment Committee met 10 times during the year. It approved allotment of 440492 shares to the employees, upon exercising the vested options granted to them under Lupin Employees Stock Option Plans.

Executives of the Company are authorised by the Allotment Committee to comply with the pre and post allotment formalities including execution of corporate actions for crediting the allotted shares into demat account of the respective employees and listing the same with the stock exchanges.

❖ *UNCLAIMED SHARES*

Pursuant to Clause 5A of the Listing Agreement, the Company, after sending three reminders, identified 375150 shares in physical form held by 1592 shareholders, as unclaimed, which were transferred to the unclaimed suspense account on February 29, 2012. In terms of the requirement of the said Clause, the unclaimed shares were dematerialised in a separate depository account, titled "Lupin Limited - Unclaimed Suspense Account".

Appropriate number of shares from the Unclaimed Suspense Account shall be released favouring rightful owners, as and when claimed, after proper verification of documents submitted by them to substantiate their claims, either in demat form or through physical share certificate, depending upon the preference of the claimant shareholder. Voting rights on such shares shall remain frozen till the rightful owner is identified.

As on March 31, 2012, the balance in "Lupin Limited - Unclaimed Suspense Account" remained unchanged i.e. 375150 comprising 1592 shareholders, as no claim was lodged, till that date. Since March 31, 2012, claims from the eight shareholders representing 900 shares have been lodged, which were approved and the said shares were transferred in their favour, after proper verification of the documents.

❖ *SHAREHOLDING PROFILE AS ON MARCH 31, 2012*

i. Distribution of Shareholding

Shareholding range (No. of shares)	Shareholders		Shareholding	
	Numbers	%	Numbers	%
1 - 500	76026	89.53	6356350	1.42
501 - 1000	2787	3.28	2191511	0.49
1001 - 2000	3971	4.68	5113669	1.15
2001 - 3000	622	0.73	1561022	0.35
3001 - 4000	201	0.24	721669	0.16
4001 - 5000	194	0.23	910260	0.20
5001 - 10000	305	0.36	2202586	0.49
10001 and above	810	0.95	427584614	95.74
Total:	**84916**	**100.00**	**446641681**	**100.00**

ii. Shareholding Pattern

Category	As on 31.03.2012		As on 31.03.2011	
	No. of shares	%	No. of shares	%
Promoters	209601940	46.93	209627540	46.98
Mutual Funds	30137911	6.75	37308599	8.36
Insurance Cos./ Banks/ Financial Institutions	43685741	9.78	51789835	11.61
Foreign Institutional Investors (FIIs)	122933174	27.52	98037447	21.97
Foreign Bodies/Banks	9784	0.00	418698	0.09
Non Residents	581604	0.13	958446	0.22
Public	39691527	8.89	48060624	10.77
Total:	**446641681**	**100.00**	**446201189**	**100.00**

iii. Particulars of the Shareholders (non-promoter) holding more than 1% of the shares of the Company

Name of the shareholder	No. of shares	%
Genesis Indian Investment Co. Ltd.	17003434	3.81
Life Insurance Corporation of India	16383754	3.67
ICICI Prudential Life Insurance Co. Ltd.	15792213	3.54
HDFC Trustee Company Ltd.	8615466	1.93
Mr. Rakesh Radheshyam Jhunjhunwala	8375405	1.88
Government Pension Fund Global	7051684	1.58
Reliance Capital Trustee Co. Ltd.	5025976	1.13

iv. Shareholding Profile

	Demat		Physical		Total
	(nos.)	%	(nos.)	%	(nos.)
Shareholding	443874931	99.38	2766750	0.62	**446641681**
Shareholders	76128	89.65	8788	10.35	**84916**

v. Geographical spread of Shareholders

State	Shareholders		State	Shareholders	
	Nos.	%		Nos.	%
Andhra Pradesh	3327	3.92	Maharashtra	35682	42.02
Bihar	606	0.71	North Eastern States	737	0.87
Chhattisgarh	255	0.30	Orissa	531	0.63
Delhi	4835	5.69	Punjab	1447	1.70
Gujarat	8504	10.01	Rajasthan	2539	2.99
Haryana	1349	1.59	Tamilnadu	3972	4.68
Jharkhand	1213	1.43	Uttarakhand	1463	1.72
Karnataka	4822	5.68	Uttar Pradesh	3860	4.55
Kerala	1122	1.32	West Bengal	5665	6.67
Madhya Pradesh	1984	2.34	Others	1003	1.18

❖ *DIVIDEND PROFILE*

Financial year	Book closure/ Record date	Dividend declared	Date of declaration	Date of payment
2010 - 11	20.07.11 – 27.07.11	150%	27.07.2011	28.07.2011
2009 - 10	21.07.10 - 28.07.10	135%	28.07.2010	29.07.2010
2008 - 09	22.07.09 - 29.07.09	125%	29.07.2009	30.07.2009
2007 - 08	15.07.08 - 22.07.08	100%	22.07.2008	23.07.2008
2006 - 07	12.07.07 - 19.07.07	50% *	19.07.2007	20.07.2007
2005 - 06	11.07.06 - 12.07.06	65%	25.07.2006	26.07.2006
2004 - 05	19.07.05 - 20.07.05	65%	28.07.2005	29.07.2005
2003 - 04	15.07.04 - 16.07.04	65%	29.07.2004	30.07.2004
2002 - 03	17.07.03 - 18.07.03	50%	06.08.2003	07.08.2003
2001 - 02 (Final)	20.08.02 - 21.08.02	25%	02.09.2002	03.09.2002
2001 - 02 (Interim)	07.02.02	25%	17.01.2002	15.02.2002

* On enhanced share capital consequent to Bonus Issue in the ratio of 1:1

❖ *CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING*

Your Company maintains the highest ethical standards through prompt implementation of a comprehensive Code of Conduct adopted pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992, for prevention of insider trading in shares of the Company.

The Code of Conduct mandates initial and continual disclosures from the promoters, directors, senior executives and auditors of the Company upon trading in the shares of the Company and it also restricts them to deal in the shares of the Company on the basis of any unpublished price sensitive information available to them by virtue of their position in the Company.

The transactions in the shares of the Company are subjected to trading window closures, pre-clearance of trades etc. as envisaged in the Code. The Code has been disseminated through the Company's intranet for easy access to the employees and is updated from time to time.

❖ *RECONCILIATION OF SHARE CAPITAL AUDIT REPORT*

In accordance with Regulation 55A of SEBI (Depositories & Participants) Regulations, 1996, a thorough quarterly audit is conducted by a qualified Company Secretary in Practice for reconciliation of share capital of the Company.

The Reconciliation of Share Capital Audit Report inter alia covers and certifies that the total shares held in NSDL, CDSL and those in physical form tally with the issued, paid-up and listed capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc. Details of changes in share capital of the Company during the quarter are also covered in the report.

The Reconciliation of Share Capital Audit Report is submitted to BSE and NSE and is also placed before the meetings of the Board of Directors and the Investors' Grievances Committee.

❖ *EMPLOYEES STOCK OPTION PLANS (ESOPs)*

Subsequent to the approval of the shareholders through postal ballot for 'Lupin Employees Stock Option Plan 2011' and 'Lupin Subsidiary Companies Employees Stock Option Plan 2011' in May 2011, the Remuneration Committee granted 1845750 and 161380 options to employees under the said ESOPs, respectively. Further, 82500 options under 'Lupin Employees Stock Option Plan 2005' and 11000 options under 'Lupin Subsidiary Companies Employees Stock Option Plan 2005' were granted to the employees, during the year.

The Plans were formulated and implemented according to the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, with an exercise period of ten years from the date of grant. Each option is convertible into one fully paid-up equity share of ` 2/- each.

In accordance with the terms of the respective stock option plans and other applicable provisions, the Company allotted 440492 equity shares during the year to those employees who have exercised options vested in them; particulars of which are as under:

Sl. No.	Date of allotment	No. of shares
1.	April 28, 2011	68860
2.	May 26, 2011	27550
3.	July 29, 2011	137032
4.	September 07, 2011	62243
5.	September 27, 2011	10493
6.	October 19, 2011	32636
7.	November 22, 2011	46524
8.	December 23, 2011	11925
9.	January 27, 2012	23604
10.	March 19, 2012	19625
	Total:	**440492**

The Company has obtained necessary approvals for grant of options and allotment of shares. The allotted shares have been listed on BSE and NSE.

❖ ***STATUS OF UNCLAIMED DIVIDENDS***

Dividends of the Company and that of the erstwhile Lupin Laboratories Limited for the financial years 1994-95 to 2003-04 which remained unpaid were transferred to the Investor Education and Protection Fund (IEPF) as and when due, pursuant to the relevant provisions. As per the guidelines, unpaid dividend amounts once transferred to the IEPF, cannot be claimed.

As a proactive measure to safeguard interests of the shareholders, the Company sends periodic communications to the concerned shareholders reminding them to claim their unpaid dividends and also before transferring the same to IEPF.

Unclaimed dividends for the years 2004 - 05 onwards will be transferred to the IEPF, as given below:

Financial Year	Date of Declaration	Due date for transfer to IEPF
2004 - 05	28.07.2005	02.09.2012
2005 - 06	25.07.2006	30.08.2013
2006 - 07	19.07.2007	24.08.2014
2007 - 08	22.07.2008	27.08.2015
2008 - 09	29.07.2009	03.09.2016
2009 - 10	28.07.2010	02.09.2017
2010 - 11	27.07.2011	01.09.2018

Shareholders are advised to confirm from/with their records and claim the dividend amounts well before the due dates, if not encashed earlier.

❖ *OUTSTANDING GDRs/ADRs/WARRANTS/CONVERTIBLE INSTRUMENTS*

The Company has granted stock options to its employees and those of its subsidiaries under the employee stock option plans. The Company shall allot equity shares from time to time, upon the employees exercising the options vested in them, pursuant to the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the terms and conditions of the respective employee stock option plan.

There are no outstanding warrants. The Company has not issued any GDR/ADR.

❖ *PLANT LOCATIONS*

The Company's plants are located at:

i) MIDC Industrial Estate,
Tarapur Industrial Area,
Boisar, Dist. Thane,
Maharashtra - 401 506.

ii) New Industrial Area II,
Mandideep, Dist. Raisen,
Madhya Pradesh - 462 046.

iii) GIDC Industrial Estate,
Ankleshwar,
Gujarat - 393 002.

iv) MIDC Area,
Chikalthana, Aurangabad,
Maharashtra - 431 001.

v) B-15, Phase I-A,
Verna Industrial Area,
Verna Salcette,
Goa - 403 722.

vi) Export Promotion
Industrial Park,
SIDCO Industrial Complex,
Kartholi, Bari Brahmana,
Jammu - 181 133.

vii) Gat No. 1156,
Village Ghotawade,
Taluka Mulshi, Dist. Pune,
Maharashtra - 411 042.

viii) Block 21, Village Dabhasa,
Taluka: Padra,
Dist.: Vadodara,
Gujarat - 391 440.

ix) Special Economic Zone,
Misc. Zone, Apparel Park,
Pithampur, Dist. Dhar,
Madhya Pradesh - 454 775.

x) Kyowa Pharmaceutical
Industry Co. Ltd.,
11-1 Techno Park, Sanda,
Hyogo 669 - 1339,
Japan.

xi) I'rom Pharmaceutical
Co., Ltd.,
Post code 243-0014
4-18-29,Asahi-cho,
Atsugi city,
Kanagawa prefecture
Japan

❖ *CONTACT PERSONS FOR ENQUIRIES*

Financial matters : Mr. Sunil Makharia, email: sunilmakharia@lupinpharma.com

Secretarial matters : Mr. Rajvardhan V. Satam, email: rajvardhansatam@lupinpharma.com

Investors related matters : Mr. Pradeep Bhagwat, email: pradeepbhagwat@lupinpharma.com

❖ *ADDRESS FOR CORRESPONDENCE*

Members may address their queries/communications to:

Registered Office/Investors' Services Department:
159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098, India.
Tel: +91 22 6640 2323 Ext: 2402/2403
Fax: +91 22 2652 8806.

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman

Mumbai, May 10, 2012

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Dr. Kamal K. Sharma, Managing Director and Mr. Ramesh Swaminathan, President - Finance & Planning do hereby certify to the Board that: -

(a) We have reviewed the Balance Sheet as at March 31, 2012, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and that to the best of our knowledge and belief:

   (i) the said statements do not contain any false, misleading or materially untrue statements or figures or omit any material fact, which may make the statements or figures contained therein misleading;

   (ii) the said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

   (i) significant changes in internal control over financial reporting during the year, if any;

   (ii) significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **LUPIN LIMITED**

DR. KAMAL K. SHARMA
MANAGING DIRECTOR

For **LUPIN LIMITED**

RAMESH SWAMINATHAN
PRESIDENT - FINANCE & PLANNING

Mumbai, May 10, 2012

DECLARATION PURSUANT TO CLAUSE 49 1(D) (ii) OF THE LISTING AGREEMENT

In accordance with Clause 49 I(D)(ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended March 31, 2012.

For **LUPIN LIMITED**

DR. KAMAL K. SHARMA
MANAGING DIRECTOR

Mumbai, May 10, 2012

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Lupin Limited

We have examined the compliance of the conditions of corporate governance by **LUPIN LIMITED** ("the Company") for the year ended on March 31, 2012, as stipulated in clause 49 of the listing agreements of the said company with relevant stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the Management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations givento us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.117366W)

K. A. Katki
Partner
(Membership No. 038568)

Place : Mumbai
Date : May 10, 2012

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF LUPIN LIMITED

1. We have audited the attached Consolidated Balance Sheet of LUPIN LIMITED ("the Company"), and its subsidiaries, (the Company and its subsidiaries constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of 15 subsidiaries, whose financial statements reflect total assets of ` 20532.7 million as at March 31, 2012, total revenues of ` 13337.9 million and net cash inflows amounting to ` 394.6 million for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company and its aforesaid subsidiaries, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.117366W)

K. A. Katki
Partner
(Membership No. 038568)

Place : Mumbai
Date : May 10, 2012

CONSOLIDATED BALANCE SHEET

As at March 31, 2012

	Note	**As at 31.03.2012 ` in million**	As at 31.03.2011 ` in million
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	893.3	892.4
Reserves and Surplus	3	39,235.6	31,918.4
		40,128.9	32,810.8
Minority Interest	44	722.9	515.1
Non-Current Liabilities			
Long-Term Borrowings	4	4,329.6	2,991.6
Deferred Tax Liabilities (net)	5	1,910.1	1,791.8
Other Long-Term Liabilities	6	732.8	560.2
Long-Term Provisions	7	669.8	372.8
		7,642.3	5,716.4
Current Liabilities			
Short-Term Borrowings	8	10,479.1	7,910.9
Trade Payables	9	13,978.3	9,930.3
Other Current Liabilities	10	3,771.7	2,010.2
Short-Term Provisions	11	2,617.0	2,349.9
		30,846.1	22,201.3
	TOTAL	**79,340.2**	**61,243.6**
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		20,577.0	15,400.8
Intangible Assets-Acquired		1,879.6	1,912.6
Capital Work-in-Progress		4,406.4	4,904.1
Intangible Assets under development		30.8	-
		26,893.8	22,217.5
Goodwill on Consolidation	42(c)	5,040.0	3,254.9
Non-Current Investments	13	28.0	31.5
Deferred Tax Assets (net)	14	467.8	380.5
Long-Term Loans and Advances	15	3,938.9	3,144.2
Other Non-Current Assets	16	-	45.2
		36,368.5	29,073.8
Current Assets			
Inventories	17	17,326.7	11,999.6
Trade Receivables	18	17,318.1	12,556.4
Cash and Cash Equivalents and Other Bank Balances	19	4,024.7	4,201.4
Short-Term Loans and Advances	20	3,091.7	2,284.0
Other Current Assets	21	1,210.5	1,128.4
		42,971.7	32,169.8
	TOTAL	**79,340.2**	**61,243.6**
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. Katki
Partner

Place : Mumbai
Dated : May 10, 2012

For and on behalf of **Board of Directors of Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Vinita Gupta
Director

Nilesh Gupta
Executive Director

Dr. Vijay Kelkar
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

D. K. Contractor
Director

R. V. Satam
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2012

	Note	**For the Current Year Ended 31.03.2012 ` in million**	For the Previous Year Ended 31.03.2011 ` in million
Income:			
Revenue from Operations (Gross)	22	71,249.3	58,543.2
Less : Excise Duty		420.2	353.5
Revenue from Operations (Net)		70,829.1	58,189.7
Other Income	23	143.5	221.9
Total Revenue		**70,972.6**	**58,411.6**
Expenses:			
Cost of Raw and Packing Materials Consumed	24	18,138.6	15,404.5
Purchases of Stock-in-Trade		11,069.5	7,881.9
Changes in Inventories	25	(3,169.1)	(907.1)
of Finished Goods, Work-in-Process and Stock-in-Trade			
Employee Benefits Expense	26	9,695.3	7,675.6
Finance Costs	27	354.7	344.8
Depreciation and Amortisation Expense	12	2,275.2	1,711.8
Other Expenses	28	20,647.7	16,356.4
Total Expenses		**59,011.9**	**48,467.9**
Profit before Tax		**11,960.7**	**9,943.7**
Tax Expense:			
- Current Tax expense for current year		3,131.5	2,660.2
Less : MAT Credit Entitlement		(373.5)	(1,473.8)
- Current Tax expense for prior years		(1.8)	(10.1)
Net Current Tax expense		2,756.2	1,176.3
- Deferred Tax (net)		329.4	(26.5)
Profit after Tax before Minority Interest and Share of Loss in Associate		**8,875.1**	**8,793.9**
Less : Minority Interest		198.6	148.4
Less : Share of Loss in Associate		-	20.0
Profit for the year		**8,676.5**	**8,625.5**
Earnings per equity share (in `)	34		
Basic		**19.43**	**19.36**
Diluted		**19.36**	**19.25**
Face Value of Equity Share (in `)		2.00	2.00
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of **Board of Directors of Lupin Limited**

K. A. Katki
Partner

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Vinita Gupta
Director

Nilesh Gupta
Executive Director

Dr. Vijay Kelkar
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

D. K. Contractor
Director

Place : Mumbai
Dated : May 10, 2012

R. V. Satam
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2012

	For the Current Year Ended 31.03.2012	For the Previous Year Ended 31.03.2011
	` in million	` in million
A. Cash Flow from Operating Activities		
Profit before Tax	11,960.7	9,943.7
Adjustments for:		
Depreciation and Amortisation Expense	2,275.2	1,711.8
Loss on sale / discard of Fixed Assets (net)	178.4	91.0
Finance Costs	354.7	344.8
Profit on sale of Non-Current Investments (net)	(10.6)	(23.9)
Interest on Fixed Deposits with Banks	(80.4)	(30.1)
Dividend on Non-Current Investments	(1.5)	(1.0)
Provision for Doubtful Trade Receivables	3.3	-
Provision for Doubtful Trade Receivables no longer required written back	-	(14.1)
Expenses on Employee Stock Options / Stock Appreciation Rights	15.5	7.1
Provision for Diminution in value of Non-Current Investments	-	3.7
Provision for Diminution in value of Non-Current Investments written back	(0.2)	-
Balances written back	(32.7)	-
Unrealised exchange gain on revaluation / translation (net)	(99.6)	(7.1)
Net unrealised exchange difference during the year	(17.0)	(10.6)
Operating Profit before Working Capital Changes	14,545.8	12,015.3
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(4,156.4)	(2,148.5)
Trade Receivables	(2,607.8)	(1,323.7)
Long-term and Short-term Loans and Advances and Other Assets	(1,378.6)	(257.7)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables, Non-Current and Current Liabilities	2,365.3	2,097.1
Long-term and Short-term Provisions	(38.2)	37.2
Cash Generated from Operations	8,730.1	10,419.7
Net Income tax paid	(3,138.9)	(2,439.9)
Net Cash Flow from Operating Activities	**5,591.2**	**7,979.8**
B. Cash Flow from Investing Activities		
Capital expenditure on fixed assets, including capital advances	(5,098.6)	(4,286.5)
Proceeds from sale of fixed assets	47.0	10.1
Purchase of Non-Current Investments	-	(6.2)
Purchase of Current Investments	-	(570.0)
Proceeds from sale of Current Investments	-	570.0
Proceeds from sale of Non-Current Investments	17.9	35.8
Consideration for acquisition of a subsidiary company	(2,289.4)	(80.3)
Bank balances not considered as Cash and Cash equivalents (net)	(171.4)	(899.6)
Interest on Fixed Deposits with Banks	80.4	30.1
Dividend on Non-Current Investments	1.5	1.0
Net Cash used in Investing Activities	**(7,412.6)**	**(5,195.6)**

	For the Current Year Ended 31.03.2012	For the Previous Year Ended 31.03.2011
	` in million	` in million
C. Cash Flow from Financing Activities		
Proceeds from Long-Term / Other Short-Term Borrowings (net)	3,075.9	0.9
Proceeds from issue of equity shares (ESOPs)	0.9	3.0
Securities Premium Received (ESOPs)	50.7	134.5
Finance Costs	(377.4)	(332.0)
Dividend paid	(1,415.9)	(1,226.6)
Tax on Dividend	(236.3)	(205.1)
Net Cash Flow from / (used in) Financing Activities	**1,097.9**	**(1,625.2)**
Net (decrease) / increase in Cash and Cash Equivalents	**(723.5)**	**1,159.0**
Cash and Cash equivalents as at the beginning of the year	2,958.8	1,642.2
Cash and Cash equivalents taken over on acquisition of subsidiary company [Refer note 42 (b) and 42 (e)]	211.2	157.6
Cash and Cash equivalents as at the end of the year	**2,446.5**	**2,958.8**
Reconciliation of Cash and cash equivalents with the Balance Sheet		
Cash and cash equivalents as per Balance Sheet (Refer note 19)	4,024.7	4,201.4
Unrealised gain on foreign currency cash and cash equivalents	(166.9)	(2.7)
Less : Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer note 19)	1,411.3	1,239.9
Cash and cash equivalents as restated as at the year end	**2,446.5**	**2,958.8**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS 3), "Cash Flow Statement".
2. Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
3. Previous year figures have been regrouped wherever necessary.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. Katki
Partner

Place : Mumbai
Dated : May 10, 2012

For and on behalf of **Board of Directors of Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Vinita Gupta
Director

Nilesh Gupta
Executive Director

Dr. Vijay Kelkar
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R. A. Shah
Director

Dr. K. U. Mada
Director

D. K. Contractor
Director

R. V. Satam
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 - SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting and preparation of Financial Statements:

i) The financial statements of the subsidiaries and associate used in the consolidation are drawn upto the same reporting date as that of the Company, namely March 31, 2012.

ii) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Principles of Consolidation:

i) The financial statements of the Company and its subsidiaries have been consolidated in accordance with the Accounting Standard 21 (AS 21) "Consolidated Financial Statements", on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra–group transactions and the unrealised profits/losses. Reference in these notes to Company, Holding Company, Companies or Group shall mean to include Lupin Limited, or any of its subsidiaries, unless otherwise stated.

ii) The financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.

iii) The excess of cost to the Company of its investment in the subsidiaries, on the acquisition dates over and above the Company's share of equity in the subsidiaries, is recognised in the financial statements as Goodwill on Consolidation and carried forward in the accounts. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

iv) Minority Interest in the net assets of the consolidated subsidiaries consist of:

a) The amount of equity attributable to minorities as at the date on which the investment in a subsidiary is made and,

b) The Minorities share of movements in equity since the date the parent-subsidiary relationship came into existence. The losses applicable to the minority in excess of the minority interest in the equity of the subsidiary and further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses. If the subsidiaries subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

c) Minority Interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Minority Interest in the income or loss of the Company is separately presented.

v) In case of associate, where the Company directly or indirectly through subsidiaries holds more than 20% of equity, investments in associate are accounted for using equity method in accordance with Accounting Standard 23 (AS 23) "Accounting for Investment in Associates in Consolidated Financial Statements".

The Company accounts for its share in the change in the net assets of the associate, post acquisition, after eliminating unrealised profit and losses resulting from transactions between the Company and its associate, through its Consolidated Statement of Profit and Loss to the extent such change is attributable to the associate Consolidated Statement of Profit and Loss and through its reserves for the balance.

The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of share in the associate is identified as Goodwill or Capital Reserve, as the case may be, and included in the carrying amount of investment in the associate, and so disclosed.

vi) The difference between the proceeds from sale / disposal of investment in a subsidiary and the carrying amount of assets less liabilities as of the date of sale / disposal is recognised in the Consolidated Statement of Profit and Loss as the profit or loss on sale / disposal of investment in subsidiary.

c) Use of Estimates:
The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

d) Tangible Fixed Assets:
Fixed Assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work in progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

e) Intangible Assets:
Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

f) Foreign Currency Transactions / Translation:

i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.

ii) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Consolidated Statement of Profit and Loss.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as “Foreign currency monetary item translation difference account” net of the tax effect thereon.

iii) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

iv) In respect of the foreign offices / branches, which are integral foreign operations, all revenues and expenses during the year are reported at average rates. Outstanding balances in respect of monetary assets and liabilities are restated at the year end exchange rates. Outstanding balances in respect of non monetary assets and liabilities are stated at the rates prevailing on the date of the transaction. Net gain / loss on foreign currency translation is recognised in the Consolidated Statement of Profit and Loss.

v) Foreign Subsidiaries:
In case of foreign subsidiaries, the local accounts are maintained in their local currency except the subsidiary company at Switzerland whose accounts are maintained in USD. The financial statements of the subsidiaries, whose operations are integral foreign operations for the Company, have been translated to Indian Rupees on the following basis:

i) All income and expenses are translated at the average rate of exchange prevailing during the year.

ii) Monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.

iii) Non monetary assets and liabilities are translated at historical rates.

iv) The resulting exchange difference is accounted in 'Exchange Rate Difference on Translation Account' and is charged / credited to the Consolidated Statement of Profit and Loss.

The financial statements of subsidiaries, whose operations are non-integral foreign operations for the Company, have been translated to Indian Rupees on the following basis:

i) All income and expenses are translated at the average rate of exchange prevailing during the year.

ii) Monetary and non monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.

iii) The resulting exchange difference is accounted in 'Foreign Currency Translation Reserve' and carried in the Balance Sheet.

g) Hedge Accounting:
The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward / option contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30 (AS 30) "Financial Instruments: Recognition and Measurement". These forward / option contracts are stated at fair value at each reporting date. Changes in the fair value of these forward / option contracts that are designated and effective as hedges of future cash flows are recognised directly in "Cash Flow Hedge Reserve account" under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. Amounts accumulated in the "Cash Flow Hedge Reserve account" are reclassified to the Consolidated Statement of Profit and Loss in the same period during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Cash Flow Hedge Reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Cash Flow Hedge Reserve account" is immediately transferred to the Consolidated Statement of Profit and Loss.

h) Derivative Contracts:
The Company enters into derivative contracts in the nature of currency options and forward contracts with an intention to hedge its existing assets and liabilities and highly probable forecast transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions / Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market on a portfolio basis and losses, if any, are recognised in the Consolidated Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

i) Investments:
Long-term investments are carried at cost, less provision for diminution, other than temporary, in the value of such investments. Cost of investments includes expenses directly incurred on acquisition of investments. Current investments are carried at lower of cost and fair value.

j) Inventories:
Inventories of all procured materials and Stock-in-Trade are valued at the lower of cost (on moving weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-process and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

k) Revenue Recognition:
Revenue from sale of goods is recognised net of returns, product expiry claims and trade discounts, on transfer of significant risks and rewards in respect of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax. Sales are also netted off for non - saleable return of goods from the customers, estimated on the basis of historical data of such returns.

Sale of Technology / know-how (rights, licenses, dossiers and other intangibles) is recognised when performance obligation is completed and risk and reward of ownership of the product is transferred to the customer.

Revenue (including in respect of insurance or other claims etc.) is recognised when it is reasonable to expect that the ultimate collection will be made.

Interest income is accounted on accrual basis. Dividend from investment is recognised as revenue when right to receive the payments is established.

Revenue from service charges is recognised on rendering of the related services in accordance with the terms of the agreement.

l) Depreciation and Amortisation:
Depreciation on fixed assets is provided on straight line basis in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956, except in respect of the following category of assets, in whose case life of assets is assessed as under:

i) The Company and Subsidiary in India

Assets	**Estimated useful life**
Captive Power Plant at Tarapur	15 years
Certain assets provided to employees	3 years
Leasehold Land	Over the period of lease
Intangible Assets (Computer Software)	3 to 6 years
Intangible Assets (Goodwill - Acquired)	5 years

ii) Subsidiaries in Japan

Assets	**Estimated useful life**
Buildings*	7 to 38 years
Attached facilities*	3 to 18 years
Plant and Machinery and Equipments	4 to 8 years
Tools	5 years
Furniture and Fixtures	4 to 15 years
Vehicles **	5 years
Intangibles (on straight line method)	
- Marketing Rights	5 years
- Computer Softwares	5 years
- Trademark and Licences	10 years

* For assets acquired from April 1, 1998, straight line method is followed.

** Vehicles are depreciated over a period of 2-3 years on straight line basis by Amel Touhoku, 100% step down subsidiary of the Company.
For all other assets, depreciation is provided on written down value method.

iii) Subsidiary in USA

Assets	Estimated useful life
Computers	3 years
Furniture and Fittings	5 years
Office and Other Equipments	7 years

iv) Subsidiaries in Australia

Assets	Estimated useful life
Furniture and Fixtures	10 years
Computers	3 years
Other Equipments	6.7 years
Product Licences	5 to 10 years
Trademarks	40 years
Computer Softwares	10 years
Goodwill Acquired	5 years

v) Subsidiary in South Africa

Assets	Estimated useful life
Plant, Machinery and Equipments	5 years
Vehicles	5 years
Furniture and Fixtures	6 years
Office Equipments (including assets under finance lease)	5 years
Computers	3 years
Computer Softwares	2 years
Trademarks	10 years
Dossiers/Licences	10 - 20 years *

* Considering product life cycle, market demand for products, expected usage and future economic benefits to the Company.

vi) Subsidiary in Germany

Assets	Estimated useful life
Buildings*	10 – 30 years
Plant, Machinery and Equipments	5 – 15 years
Furniture and Fixtures	3 – 14 years
Computers	3 – 5 years
Computer Softwares	1 – 5 years
Marketing Rights	3 – 10 years

*Building annex completed in 1989 (estimated useful life – 25 years) and the residential building purchased in 2005 (estimated useful life – 50 years) are depreciated according to the reducing-balance method in accordance with tax regulations.

vii) Subsidiaries in Philippines

Assets	Estimated useful life
Leasehold improvements	2 years
Vehicles (including under finance lease)	5 years
Furniture and Fixtures	5 years
Plant, Machinery and Equipments	3 years
Computer Softwares	2 to 10 years
Marketing Rights	10 years

viii) Subsidiary in Switzerland

Assets	Estimated useful life
Computers	3 years
Marketing Rights	5 years

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern. Assets costing ` 5000/- or less are depreciated at 100% rate on prorata basis in the year of purchase.

m) Employee Benefits:
Employee benefits include provident fund, social security, gratuity fund, compensated absences, post employment and other long-term benefits.

a. Post Employment Benefits and Other Long-term Benefits:

i) Defined Contribution Plan:
The Company's contribution towards provident fund, social security and superannuation fund for certain eligible employees are considered to be defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

ii) Defined Benefit and Other Long-term Benefit Plans:
Company's liabilities towards defined benefit plans and other long-term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent benefits are vested, otherwise it is amortised on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Provident Fund for certain employees is administered through the "Lupin Limited Employees Provident Fund Trust". Periodic contributions to the Fund are charged to the Consolidated Statement of Profit and Loss. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government.

b. Short-Term Employee Benefits:
Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. Short term compensated absences are provided for based on estimates in accordance with Company rules.

n) Taxes on Income:
Income taxes are accounted for in accordance with Accounting Standard 22 (AS 22) “Accounting for Taxes on Income”. Tax expense comprises both Current Tax and Deferred Tax. Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

o) Operating Leases:
Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight line basis in accordance with the respective lease agreements.

p) Finance Leases:
Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. The rent obligations net of interest charges are reflected as secured loans.

q) Provisions, Contingent Liabilities and Contingent Assets:
A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.

r) Borrowing Costs:
Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

s) Stock based Compensation:

   i) Employee Stock Option Plans ("ESOPs"):

      The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. the difference between the market price of the Company's shares on the date of the grant of options and the exercise price to be paid by the option holders. The compensation cost, if any, is amortised uniformly over the vesting period of the options.

   ii) Stock Appreciation Rights ("SARs"):

      The compensation cost of SARs granted to employees is measured by the intrinsic value method, i.e. the excess of the market price of the Company's shares as at the period end and the acquisition price as on the date of grant. The compensation cost is amortised uniformly over the vesting period of the SARs.

t) Government Grants, subsidies and incentives:

   Government grants and subsidies are accounted when there is reasonable assurance that the Company will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Revenue grants are recognised in the Consolidated Statement of Profit and Loss.

   Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

u) Research and Development:

   Revenue expenditure incurred on research and development is charged to the respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

   Expenditure on in-licensed development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset.

v) Impairment of Assets:

   The carrying values of assets / cash generating units at each Balance Sheet date, are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, except in case of revalued assets.

2 - SHARE CAPITAL

	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	**` in million**	No. of Shares	` in million
a) Share Capital				
Authorised				
Equity Shares of ` 2 each	500,000,000	1,000.0	500,000,000	1,000.0
Issued, Subscribed and Paid up				
Equity Shares of ` 2 each fully paid	446,641,681	893.3	446,201,189	892.4
TOTAL	**446,641,681**	**893.3**	**446,201,189**	**892.4**

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	**` in million**	No. of Shares	` in million
Equity Shares outstanding at the beginning of the year	446,201,189	892.4	444,719,165	889.4
Equity Shares issued during the year in the form of ESOPs	440,492	0.9	1,482,024	3.0
Equity Shares outstanding at the end of the year	**446,641,681**	**893.3**	**446,201,189**	**892.4**

c) Rights attached to Equity Shares

The Company has only one class of equity shares with voting rights having a par value of ` 2 per share. The Company declares and pays dividends in Indian Rupees.The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recognised as distributions to equity shareholders is ` 3.2 (31 March 2011: ` 3.0)

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shares held by each shareholder holding more than 5% equity shares

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
Zyma Laboratories Ltd	54,960,490	12.31	54,960,490	12.32
Rahas Investments Pvt Ltd	45,699,510	10.23	45,699,510	10.24
Visiomed (India) Pvt Ltd	43,514,660	9.74	43,514,660	9.75
Lupin Marketing Pvt Ltd	40,401,000	9.05	40,401,000	9.05

e) Shares reserved for issuance under Stock Option Plans of the Company

Particulars	**As at 31.03.2012**	As at 31.03.2011
	No. of Shares	No. of Shares
Lupin Employees Stock Options Plan 2003	1,210,403	1,313,470
Lupin Employees Stock Options Plan 2005	1,306,290	1,585,000
Lupin Employees Stock Options Plan 2011	3,600,000	-
Lupin Subsidiary Companies Employees Stock Options Plan 2005	500,741	559,456
Lupin Subsidiary Companies Employees Stock Options Plan 2011	900,000	-

f) Aggregate number of shares allotted as fully paid up during last five years immediately preceding balance sheet date pursuant to contracts without payment received in cash and by way of fully paid up bonus shares

Particulars	**As at 31.03.2012**	As at 31.03.2011
	Aggregate No. of Shares	Aggregate of No. of Shares
Equity Shares:		
Fully paid up by way of bonus shares (issued during 2006-07)	-	200,762,470

g) Aggregate number of shares issued during last five years pursuant to Stock Option Plans of the Company

Particulars	**As at 31.03.2012**	As at 31.03.2011
	Aggregate No. of Shares	Aggregate of No. of Shares
Equity Shares:		
Issued under various Stock Option Plans of the Company	4,953,986	4,513,494

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
3 - RESERVES AND SURPLUS		
Capital Reserve		
- Investment Subsidies from Central Government		
Balance as per last Balance Sheet	1.0	1.0
- Investment Subsidies from State Government		
Balance as per last Balance Sheet	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation		
Balance as per last Balance Sheet	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Balance as per last Balance Sheet	126.5	126.5
	126.5	126.5
Securities Premium Account		
Balance as per last Balance Sheet	5,197.9	5,063.4
Add : Addition during the year*	50.7	134.5
	5,248.6	5,197.9
Employee Stock Options Outstanding (Refer note 36)		
Employees Stock Options Outstanding		
Balance as per last Balance Sheet	20.3	9.0
Add: Options granted during the year	11.2	11.3
Balance as at the year end (A)	31.5	20.3
Deferred Employees Stock Options Cost		
Balance as per last Balance Sheet	7.8	3.6
Add: Options granted during the year	11.2	11.3
Less: Amortisation during the year	12.0	7.1
Balance as at the year end (B)	7.0	7.8
(A-B)	24.5	12.5
Employee Stock Appreciation Rights Outstanding (Refer note 37)		
Balance as per last Balance Sheet	-	-
Add: Additions during the year	3.5	-
Balance as at the year end	3.5	-
General Reserve		
Balance as per last Balance Sheet	10,015.4	8,515.4
Add: Transferred from Surplus in the Consolidated Statement of Profit and Loss	1,500.0	1,500.0
	11,515.4	10,015.4
Amalgamation Reserve		
Balance as per last Balance Sheet	317.9	317.9
	317.9	317.9
Cash Flow Hedge Reserve (Refer note 40)		
Balance as per last Balance Sheet	51.2	175.8
Add: (Debited) / Credited during the year (net) (net of tax of ` 239.0 million, previous year ` 20.2 million)	(631.0)	(124.6)
	(579.8)	51.2
Foreign Currency Translation Reserve (Refer note 43)		
Balance as per last Balance Sheet	(13.0)	(201.2)
Add : Credited during the Year	982.9	188.2
	969.9	(13.0)
Surplus in the Consolidated Statement of Profit and Loss		
Balance as per last Balance Sheet	15,946.1	10,521.8
Add: Profit for the year	8,676.5	8,625.5
Less:Transfer to General Reserve	1,500.0	1,500.0
Add: Adjustment on account of Amalgamation of Subsidiaries	-	(43.6)
Less: Dividends on Equity Shares by Overseas Subsidiaries	93.4	80.6
Less: Proposed Dividends on Equity Shares	1,429.2	1,338.6
Less: Dividend on Equity Shares issued after the previous year end	0.3	2.0
Less: Corporate Tax on Dividend	254.5	236.4
Balance as at the year end	21,345.2	15,946.1
TOTAL	**39,235.6**	**31,918.4**

* Represents amount received on allotment of 440,492 (previous year 1,482,024), Equity Shares of ` 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 36 (a)].

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
4 - LONG-TERM BORROWINGS		
Secured		
Foreign Currency Term Loans from Banks	211.1	456.4
Long Term Maturities of Finance Lease Obligations [Refer note 35 (b)]	66.5	86.1
	277.6	542.5
Unsecured		
Bonds	233.6	204.7
Foreign Currency Term Loans from Banks	3,486.7	1,808.5
Deferred Sales Tax Loan from Government of Maharashtra	53.0	57.8
Term Loans from Council for Scientific and Industrial Research (CSIR)	216.5	284.8
Term Loans from Department of Science and Technology (DST)	62.2	93.3
	4,052.0	2,449.1
TOTAL	**4,329.6**	**2,991.6**

a) Term Loans of a subsidiary company located in Japan aggregating ` 3,073.0 milllion (secured ` 630.3 million) carries interest rate in the range of 0.52% to 2.67% p.a. and are secured by first legal / equitable mortgage on immovable assets of the said subsidiary. The loan matures at various dates begining from year 2012 upto year 2017.

b) Secured Term Loans of a subsidiary company located in Germany consist of 2 loans and carries interest rate in the range of 4.25% - 5.05% p.a. Loans are secured against mortgage of immovable property. First loan of ` 47.4 million is repayable in monthly installments of ` 0.5 million till 30th November 2020. Second loan of ` 12.6 million is repayable in monthly installments (including interest ) of ` 0.1 million till February 2042.

c) Secured Term loan of ` 14.6 million of a subsidiary company located in Australia carries interest rate of 9.5% p.a. The loan is repayable from 31 December 2010 onwards in 16 quarterly installments of ` 1.3 million each. The loan is secured by fixed and floating charge over all assets.

d) Bonds of a subsidiary company located in Japan are redeemable at par at the end of three years from the date of respective allotment. They carry interest rate in the range of 0.90% to 1.08% p.a. The said subsidiary has an option to redeem these bonds earlier.

e) Unsecured Foreign Currency Term Loans from Banks consist of two loans of USD 20 million (` 1,017.5 million) each. One of the loans carries interest rate @ LIBOR plus 1.55% and is repayable after 3 years in installments of USD 10 million (` 508.8 million) each from the date of their origination on 10 December 2012 and 7 January 2013. Second loan bears interest rate @ LIBOR plus 1.05% and is repayable after 3 years in installments of USD 10 million (` 508.8 million) each from the date of their origination on 3 June 2013 and 29 July 2013.

f) Unsecured Term Loan of a subsidiary company located in Germany consist of 2 loans and carries interest rate in the range of 4.85% - 5.80% p.a. Loans has been guaranteed by the Company. First loan of ` 9.6 million is repayable in six monthly installments of ` 1.0 million till 30 September 2016. Second loan of ` 16.9 million is repayable in 6 biannual installments of ` 2.8 million starting from 30 March 2014.

g) Deferred Sales Tax Loan is interest free and payable in 5 equal annual installments after expiry of initial 10 years moratorium period from each such year of deferral period from 1998-99 to 2009-10.

h) Term Loans from CSIR carry interest of 3% p.a. and is payable in 8 annual installments of ` 30.9 million each alongwith interest.

i) Term Loans from DST carry interest of 3% p.a. and is payable in 7 annual installments of ` 10.4 million each alongwith interest.

j) Finance lease obligations to Financial Institutions represents present value of minimum lease rentals payable and are secured by hypothecation of concerned plant, machinery, equipments and vehicles.

k) The Company has not defaulted on repayment of loans and interest during the year.

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
5 - DEFERRED TAX LIABILITIES (NET)		
Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	2,379.4	2,001.8
Prepaid Expenses	1.3	1.0
Amortisation of Intangibles	9.2	6.8
Others	-	25.0
	2,389.9	2,034.6
Less : Tax effect of items constituting Deferred Tax Assets		
Provision for doubtful trade receivables	23.5	22.8
VRS Compensation	63.4	74.9
Provision for Employee Benefits	99.4	86.7
Provision for Expenses	4.5	1.1
Provision for Obsolete Inventory	0.7	0.6
Leasing Liability	1.2	1.2
Cash Flow Hedge Reserve	214.0	-
Others	73.1	55.5
	479.8	242.8
TOTAL	**1,910.1**	**1,791.8**

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
6 - OTHER LONG-TERM LIABILITIES		
Trade Payables	114.6	3.3
Mark to Market Derivative Liabilities	238.2	172.1
Interest Accrued but not due on Borrowings	23.3	55.3
Deposits	344.1	287.4
Other Payables	12.6	42.1
TOTAL	**732.8**	**560.2**

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
7 - LONG-TERM PROVISIONS		
Provisions for Employee Benefits		
Retirement Benefits	413.7	93.5
Compensated Absences	231.5	279.3
Provident Fund	24.6	-
TOTAL	**669.8**	**372.8**
8 - SHORT-TERM BORROWINGS		
Secured		
Working Capital Loans from Banks	7,367.2	6,662.3
	7,367.2	6,662.3
Unsecured		
Working Capital Loans from Banks	3,111.9	1,248.6
	3,111.9	1,248.6
TOTAL	**10,479.1**	**7,910.9**

Notes:

a) Secured Working Capital Loans from Consortium of Banks aggregating to ` 5,808.2 million (previous year ` 6,374.6 million) comprise of Cash Credit, Short-Term Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit and are secured by hypothecation of inventories and book debts and moveable current assets at godowns, depots, in course of transit or on high seas and a second charge on immovable properties and moveable assets of the Company both present and future. Loans in foreign currency carries interest rate in the range of 1.5% to 3% p.a. and those in Indian Rupees carries interest rate in the range of 11% to 13% p.a.

b) Secured Working Capital Loan of ` 1,336.6 million availed by the subsidiary companies located in Japan carry interest rate of 0.68% p.a. and are secured by first legal / equitable mortgage on immovable assets of the said subsidiaries.

c) ` 213.2 million being bill discounting and overdraft facility availed by a subsidiary company located in Australia carries interest rate in the range of 7% to 9.5% p.a. and is secured by Fixed and Floating charge over all assets of the said subsidiary.

d) ` 9.2 million being Working Capital Loan availed by a subsidiary company located in Philippines secured by way of pledge of finished goods of the said subsidiary and carries interest in the range of 6.25% to 8.50% p.a.

e) Secured Working Capital Loans from Banks include foreign currency loans of ` 7,095.3 million (previous year ` 6,326.9 million).

f) Unsecured Working Capital Loans from Banks aggregating to ` 2,769.1 million (previous year ` 1,200.3 million) comprise of Cash Credit and Short-Term Loans. Loans in foreign currency carries interest rate in the range of 1.5% to 3% p.a. and those in Indian Rupees carries interest rate in the range of 11% to 13% p.a.

g) ` 237.6 million being Working Capital Loan availed by a subsidiary company located in Germany carries interest of 2.66% and guaranteed by the Company.

h) Unsecured Working Capital Loans amounting to ` 105.2 million availed by a subsidiary company located in Philippines out of which ` 81.4 million are guaranteed by the Company and carries interest rate in the range of 6.25% to 7% p.a.

i) Unsecured Working Capital Loans from Banks include foreign currency loans of ` 3,059.7 million (previous year ` 1,210.1 million).

j) The Group has not defaulted on repayment of loans and interest during the year.

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
9 - TRADE PAYABLES		
Acceptances	2,357.2	2,049.6
Other than Acceptances		
Total outstanding dues of Micro Enterprises and Small Enterprises	219.4	187.2
Total outstanding dues of Trade Payables other than Micro Enterprises and Small Enterprises	11,401.7	7,693.5
TOTAL	**13,978.3**	**9,930.3**

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
10 - OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Borrowings (Refer note 4)		
Foreign Currency Term Loans from Banks	1,513.5	655.1
Current Maturities of Finance Lease Obligations [Refer note 35 (b)]	31.8	28 .0
Deferred Sales Tax Loan from Government of Maharashtra	4.9	3.2
Term Loans from CSIR	30.9	24.7
Term Loans from DST	10.4	10.4
Interest Accrued but not due on Borrowings	19.7	10.1
Unpaid Dividend*	15.3	13.3
Unpaid Matured Deposits*	0.7	1.5
Unpaid Interest Warrants*	0.3	0.6
Mark to Market Derivative Liabilities	620.1	150.8
Payable for Purchase of Fixed Assets	900.7	479.4
Other Payables	623.4	633.1
(Includes Statutory liabilities, Deposits received, Advance from customers, etc.)		
TOTAL	**3,771.7**	**2,010.2**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
11 - SHORT-TERM PROVISIONS		
Provisions for Employee Benefits		
Gratuity	45.0	19.2
Retirement Benefits	10.4	21.4
Compensated Absences	155.1	44.2
Provident Fund	-	5.0
Other Provisions		
For Taxation [net of Advance Tax of ` 1,736.9 million	629.2	606.0
(previous year ` 1,721.3 million)]		
For Proposed Dividend on Equity Shares	1,522.2	1,417.2
For Corporate Tax on Dividend	255.1	236.9
TOTAL	**2,617.0**	**2,349.9**

12 - FIXED ASSETS

(` in million)

Particulars	Gross Block						Depreciation and Amortisation					Net Block	
	As at 01.04.2011	Additions on Acquistion of Subsidiary Company*	Effect of Foreign Currency exchange differences	Additions	Deductions / Adjustments	**As at 31.03.2012**	As at 01.04.2011	Additions on Acquistion of Subsidiary Company*	For the Year	Deductions / Adjustments	**As at 31.03.2012**	**As at 31.03.2012**	As at 01.04.2011
Tangible Assets													
Freehold Land	844.6	310.9	-	-	(89.0)	1,244.5	-	-	-	-	-	1,244.5	844.6
Leasehold Land	540.3	-	-	62.7	62.9	540.1	34.7	-	10.9	1.3	44.3	495.8	505.6
Buildings	5,083.1	1,034.1	50.6	1,288.7	(43.1)	7,499.6	1,326.5	600.0	232.3	(27.1)	2,185.9	5,313.7	3,756.6
Plant, Machinery and Equipments	14,856.2	2,400.0	182.5	3,694.1	104.2	21,028.6	5,590.6	2,070.8	1,158.9	47.2	8,773.1	12,255.5	9,265.6
Furniture and Fixtures	731.8	178.3	9.3	226.4	0.5	1,145.3	345.7	161.3	127.8	5.7	629.1	516.2	386.1
Vehicles	96.9	29.5	-	14.7	2.2	138.9	53.6	26.3	16.0	1.7	94.2	44.7	43.3
Office Equipment	842.3	32.3	8.8	213.3	3.1	1,093.6	362.9	28.5	108.3	7.0	492.7	600.9	479.4
Assets under Lease:													
- Plant and Equipments	152.0	-	-	-	(22.9)	174.9	50.6	-	24.4	(8.1)	83.1	91.8	101.4
- Vehicles	36.5	-	-	2.4	(0.4)	39.3	18.3	-	7.9	0.8	25.4	13.9	18.2
	23,183.7	3,985.1	251.2	5,502.3	17.5	32,904.8	7,782.9	2,886.9	1,686.5	28.5	12,327.8	20,577.0	15,400.8
Intangible Assets - Acquired													
Goodwill	554.5	-	-	-	(50.0)	604.5	270.3	-	137.5	(32.1)	439.9	164.6	284.2
Computer Software	146.3	15.2	-	129.5	26.6	264.4	112.3	9.1	12.6	(6.1)	140.1	124.3	34.0
Trademarks and Licences	315.7	2.0	-	55.5	(49.2)	422.4	137.7	1.3	32.1	(21.5)	192.6	229.8	178.0
Dossiers / Marketing rights	2,188.3	18.1	-	194.6	(281.3)	2,682.3	771.9	18.1	406.5	(124.9)	1,321.4	1,360.9	1,416.4
	3,204.8	35.3		379.6	(353.9)	3,973.6	1,292.2	28.5	588.7	(184.6)	2,094.0	1,879.6	1,912.6
TOTAL	**26,388.5**	**4,020.4**	**251.2**	**5,881.9**	**(336.4)**	**36,878.4**	**9,075.1**	**2,915.4**	**2,275.2**	**(156.1)**	**14,421.8**	**22,456.6**	**17,313.4**
Previous Year	22,937.1	588.5	(59.5)	2,763.5	(158.9)	26,388.5	7,072.2	246.5	1,711.8	(44.6)	9,075.1	17,313.4	
Capital Work-in-Progress (Refer note 32)												4,406.4	4,904.1
Intangible Assets Under Development												30.8	-
TOTAL												**26,893.8**	**22,217.5**

* Refer note 42 (b) and 42 (e)

1. Cost of Buildings include cost of shares in co-operative societies of ` 1,000/- (previous year `1,000/-).

2. Additions to Fixed Assets include items of fixed assets aggregating ` 933.3 million (previous year ` 641.4 million) located at Research and Development Centres of the Company.

3. Adjustments from the Gross Block and Depreciation and Amortisation includes adjustments on account of exchange loss / (gain) (net) on translation into INR in respect of the non - integral foreign operations of the Group.

Point No. 3 (Contd.)

(` in million)

Particulars	2011-12		2010-11	
	Gross Block	**Depreciation**	Gross Block	Depreciation
Freehold Land	(89.7)	-	(79.1)	-
Buildings	(45.3)	(29.1)	(83.3)	(48.3)
Plant, Machinery and Equipments	(195.0)	(116.1)	(221.8)	(168.9)
Furniture and Fixtures	(28.0)	(19.6)	(27.5)	(21.7)
Office Equipments	(5.2)	(3.6)	(4.6)	(4.1)
Vehicles (also includes under finance lease)	(11.4)	(4.8)	(3.1)	(1.7)
Plant, Machinery and Equipments under finance lease	(22.9)	(8.1)	(16.2)	(3.3)
Intangible Assets - Acquired				
- Goodwill	(50.0)	(32.2)	(20.0)	(9.9)
- Computer software	(9.9)	(6.1)	(5.7)	(4.1)
- Trademarks and Licences	(49.2)	(21.6)	(18.5)	(8.0)
- Dossiers / Marketing rights	(281.7)	(125.0)	(15.6)	(11.8)
TOTAL	**(788.3)**	**(366.2)**	**(495.4)**	**(281.8)**

	Number	Face Value	As at 31.03.2012		As at 31.03.2011
			` in million	` in million	` in million
13 - NON-CURRENT INVESTMENTS					
Trade Investments					
In Equity Instrument:					
a) Others - Unquoted					
- Biotech Consortium India Ltd., India	50,000	`	0.5		0.5
	(50,000)	10			
- Enviro Infrastructure Co. Ltd., India	100,000	`	1.0		1.0
	(100,000)	10			
- Bharuch Enviro Infrastructure Ltd., India	4,585	`			
(31.03.2012- ` 45,850/-, 31.03.2011- ` 45,850/-)	(4,585)	10			
- Narmada Clean Tech Ltd., India	1,145,190	`	11.5		11.5
(formerly known as Bharuch Eco-Aqua	(1,145,190)	10			
Infrastructure Ltd.)					
- Tarapur Environment Protection Society	72,358	`	7.2		4.8
India	(48,154)	100			
- Japan Medical Products Exporter's	10	JPY			
Association, Japan	(10)	5,000			
(31.03.2012- ` 31,015/-, 31.03.2011- ` 26,930/-)					
- The Pharmaceuticals and Medical	30	JPY	0.2		0.2
Devices Agency,Japan	(30)	10,000			
- Osaka Fire Mutual Aid Association, Japan	10	JPY			
(31.03.2012- ` 620/-, 31.03.2011- ` 539/-)	(10)	100			
- Frankfurter Volksbank eG Bank, Germany	10	Eur			
(31.03.2012- ` 33,948-, 31.03.2011- ` 31,659/-)	(10)	50			
- Philippines Long Distance Telephone Co.,	200	PHP			
Philippines	(200)	1			
(31.03.2012- ` 18,976/-, 31.03.2011- ` 16458/-)					
- Atsugi Gas Corporation, Japan	600	Nil	0.2		-
	(-)				
				20.6	18.0
b) Others - Quoted					
- Mitsubishi UFJ Finance Group, Japan	12,820		24.5		21.3
	(12,820)				
- Senshu Ikeda Holdings, Japan	38,480		8.6		7.5
	(38,480)				
- Mizuho Financial Group, Japan	5,250		7.5		6.5
	(5,250)				
- Towa Pharmaceutical, Japan	-		-		7.3
	(8,200)				
- Risona Holdings, Japan	4,100		12.8		11.2
	(4,100)				
			53.4		53.8

	Number	Face Value	As at 31.03.2012		As at 31.03.2011
			` in million	` in million	` in million
Less : Provision for diminution in value of long-term investments			46.0		40.3
				7.4	13.5
(Figures in brackets are for previous year)					
c) In Government Securities					
National Saving Certificates					
(31.03.2012 ` 16,000/-, 31.03.2011 ` 16,000/-)					
(Deposited with Government Authority 31.03.2012 ` 16,000/-, 31.03.2011 ` 16,000/-)					
TOTAL				**28.0**	**31.5**

1. All investments in shares are fully paid up.		
2. All investments are stated at cost.		
3. Aggregate amount of unquoted investments	20.6	18.0

	As at 31.03.2012	As at 31.03.2011
	` in million	` in million
14 - DEFERRED TAX ASSETS (NET)		
Tax effect of items constituting Deferred Tax Assets		
Provision for Bonus	55.4	38.5
Provision for Leave Encashment	8.1	5.6
Provision for Retirement Benefits	53.6	36.5
Provision for Expenses	31.2	30.0
Provision for Obsolete Inventory	35.6	15.5
Allowance for Impairment Losses on Trade Receivable	-	2.6
Accrual for Employee Benefits	-	2.8
Provision for Price Differential	29.6	28.2
Provision for Sales Return	168.7	86.4
Accrued Expenses	10.1	-
On differences between book and tax depreciation	82.9	4.5
Others	30.4	141.1
	505.6	391.7
Less: Tax effect of items constituting Deferred Tax Liabilities		
Reserved for Deferred Capital Gain	20.8	-
Prepaid Expenses	17.0	11.2
TOTAL	**467.8**	**380.5**
15 - LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good Unless Otherwise Stated		
Capital Advances	536.5	415.2
Security Deposits	293.1	214.0
MAT Credit Entitlement	2,874.0	2,502.3
Loan to Employees Benefit Trust (Refer note 37)	220.1	-
Loan to Employees	4.2	3.8
Other Loans and Advances	11.0	8.9
TOTAL	**3,938.9**	**3,144.2**

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
16 - OTHER NON-CURRENT ASSETS		
Mark to Market Derivative Assets	-	45.2
TOTAL	**-**	**45.2**
17 - INVENTORIES		
Raw Materials	4,503.4	3,312.3
Packing Materials	877.0	636.2
Work-in-Process	2,818.8	2,146.6
Finished Goods	3,958.3	2,622.9
Stock-in-Trade	2,777.2	954.0
Consumable Stores and Spares	430.2	260.0
Goods-in-Transit		
- Raw Materials	312.4	271.7
- Packing Materials	1.4	10.6
- Stock-in-Trade	1,639.5	1,773.3
- Consumable Stores and Spares	8.5	12.0
TOTAL	**17,326.7**	**11,999.6**
18 - TRADE RECEIVABLES		
Unsecured		
Trade receivables outstanding for a period exceeding six months		
- Considered Good	121.7	112.8
- Considered Doubtful	86.2	96.5
	207.9	209.3
Other Trade Receivables		
- Considered Good	17,196.4	12,443.6
- Considered Doubtful	1.7	3.0
	17,198.1	12,446.6
	17,406.0	12,655.9
Less : Provision for Doubtful Trade Receivables	87.9	99.5
TOTAL	**17,318.1**	**12,556.4**

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
19 - CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES		
Cash and Cash Equivalents as defined in AS 3 - Cash Flow Statement		
Bank Balances		
- In Current Account	1,814.8	1,609.5
- In EEFC Account	0.3	0.3
- In Deposit Account	726.2	1,250.5
Cheques on hand	61.4	93.7
Cash on hand	10.7	7.5
	2,613.4	2,961.5
Other Bank Balances		
Earmarked Balances with Banks		
- Unpaid dividend accounts	15.3	13.3
- Unpaid matured deposits	0.2	0.7
- Unpaid interest warrants	0.3	0.6
- Margin Deposits with Banks	2.6	11.3
- Deposits against borrowings, guarantees and other commitments	4.5	3.6
Bank Deposits maturing more than 3 months but less than 12 months	1,386.9	1,209.1
Bank Deposits maturing after 12 months	1.5	1.3
	1,411.3	1,239.9
TOTAL	**4,024.7**	**4,201.4**

Other Bank Balances - Earmarked Balances with banks include deposits ` 4.2 million (previous year ` 3.1 million) and margin monies amounting to ` 2.6 million (previous year ` 5.6 million) which have an original maturity of more than 12 months.

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
20 - SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Loans and Advances to Related Parties [Refer note 55 (c)]	62.2	62.0
Security Deposits	97.2	63.5
Advance payment of Income Tax [net of Provision of ` 1,684.0 million (previous year ` 1,151.1 million)]	50.0	48.2
Balances with Government Authorities (VAT/Cenvat/Service tax credit receivable)	1,545.2	1,210.9
Advance to Vendors	840.4	439.1
Other Loans and Advances	496.7	460.3
(includes Loans and Advances to employees, Prepaid expenses, etc.)		
TOTAL	**3,091.7**	**2,284.0**
21 - OTHER CURRENT ASSETS		
Mark to Market Derivative Assets	33.7	328.7
Export Benefits receivables	970.6	589.3
Other Current Assets	206.2	210.4
(includes Interest receivables, receivable on sale of fixed assets, etc.)		
TOTAL	**1,210.5**	**1,128.4**

	For the Current Year ended 31.03.2012 ` in million	For the Previous Year ended 31.03.2011 ` in million
22 - REVENUE FROM OPERATIONS		
Sale of Products (Gross)		
Sale of Goods	68,623.8	56,831.6
Sale of IP Rights	1,393.4	590.1
	70,017.2	57,421.7
Other Operating Revenue		
Export Benefits and other Incentives	526.1	402.0
Service Charges	420.8	381.7
Insurance Claims	44.9	30.6
Compensation and Settlement Income	130.7	217.0
Credit balances written back	3.8	2.1
Provision for Doubtful Trade Receivables no longer required written back	-	14.1
Miscellaneous Income	105.8	74.0
	1,232.1	1,121.5
TOTAL	**71,249.3**	**58,543.2**
23 - OTHER INCOME		
Dividend on Non-Current Investments	1.5	1.0
Interest on Fixed Deposits with Banks	80.4	30.1
[Tax Deducted at Source ` 2.2 million (previous year ` 0.2 million)]		
Other Interest (including interest on income tax refunds)	11.9	34.0
[Tax Deducted at Source ` 0.4 million (previous year ` 2.3 million)]		
Net gain on Foreign Currency Transactions	-	127.4
Profit on Sale / Disposal of Current Investment (net)	10.6	23.9
Provision for Diminution in value of Non-Current Investments written back	0.2	-
Miscellaneous Income	38.9	5.5
TOTAL	**143.5**	**221.9**
24 - COST OF RAW AND PACKING MATERIALS CONSUMED		
Raw Materials Consumed	15,664.3	13,591.0
Packing Materials Consumed	2,474.3	1,813.5
TOTAL	**18,138.6**	**15,404.5**
25 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock:		
Finished Goods	2,622.9	2,410.8
Stock-in-Trade	2,727.3	2,012.3
Work-in-Process	2,146.6	2,029.9
	7,496.8	6453.0
Acquired on amalgamation / acquisition:		
Finished Goods	240.7	-
Stock-in-Trade	157.4	136.7
Work-in-Process	129.8	-
	527.9	136.7
Less:		
Closing Stock:		
Finished Goods	3,958.3	2,622.9
Stock-in-Trade	4,416.7	2,727.3
Work-in-Process	2,818.8	2,146.6
	11,193.8	7,496.8
Changes In Inventories:		
Finished Goods	(1,094.7)	(212.1)
Stock-in-Trade	(1,532.0)	(578.3)
Work-in-Process	(542.4)	(116.7)
TOTAL	**(3,169.1)**	**(907.1)**

	For the Current Year ended 31.03.2012 ` in million	For the Previous Year ended 31.03.2011 ` in million
26 - EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	8,320.3	6,599.0
Contribution to Provident and Other Funds	871.6	737.2
Expenses on Employee Stock Options / Stock Appreciation Rights (Refer note 36 and 37)	15.5	7.1
Staff Welfare Expenses	487.9	332.3
TOTAL	**9,695.3**	**7,675.6**
27 - FINANCE COSTS		
Interest on Borrowings	238.8	258.2
Other Borrowing Costs (includes bank charges, etc.)	75.8	67.8
Interest on Income Tax	40.1	18.8
TOTAL	**354.7**	**344.8**
28 - OTHER EXPENSES		
Processing Charges	709.0	544.9
Stores and Spares Consumed	1,918.4	1,567.2
Repairs and Maintenance:		
- Buildings	145.2	129.1
- Plant and Machinery	522.0	440.2
- Others	326.0	228.9
Rent	126.7	98.9
Rates and Taxes	137.7	123.9
Insurance	229.0	176.2
Power and Fuel	2,688.2	2,054.7
Contract Labour Charges	476.5	388.3
Excise Duty (net) (Refer note 49)	84.0	44.1
Selling and Promotion Expenses	4,354.9	3,697.0
Commission, Brokerage and Discount	912.2	960.8
[Including cash discount of ` 6.4 million (previous year ` 6.4 million)]		
Freight and Forwarding	1,170.7	817.0
Lease Rent and Hire Charges	531.5	447.9
Postage and Telephone Expenses	241.8	198.3
Travelling and Conveyance	1,166.7	943.7
Legal and Professional Charges	1,942.2	1,227.3
[Net of recoveries of ` 253.0 million (previous year ` 78.7 million)]		
Donations	116.7	61.3
Clinical and Analytical Charges	771.6	924.7
Loss on Sale / Discard of Fixed Assets (net)	178.4	91.0
Bad Trade Receivables / Advances written off	33.4	6.8
[Net of provision of earlier year adjusted ` nil (previous year ` 6.5 million)]		
Provision for Doubtful Trade Receivables	3.3	-
Provision for Diminution in value of Non-Current investments	-	3.7
Directors Sitting Fees	3.4	1.4
Net Loss on Foreign Currency Transactions	68.9	-
Exchange Rate Difference on Translation (net)	153.6	5.1
Miscellaneous Expenses	1,635.7	1,174.0
TOTAL	**20,647.7**	**16,356.4**

29. The Consolidated Financial Statements present the consolidated accounts of Lupin Limited ("the Company") and the following subsidiaries and associates ("the Group"):

Name of Entities	Country of Incorporation	Proportion of Ownership Interest
Subsidiaries		
Lupin Pharmaceuticals Inc.	U.S.A	100%
Kyowa Pharmaceutical Industry Co. Ltd.	Japan	100%+
I'rom Pharmaceutical Co. Ltd. (from 30th November 2011)	Japan	99.99%**
Amel Touhoku	Japan	100%*
Hormosan Pharma GmbH	Germany	100%+
Pharma Dynamics (Proprietary) Ltd.	South Africa	60%+
Lupin Australia Pty Ltd.	Australia	100%
Lupin Holdings B.V.	Netherlands	100%
Lupin Atlantis Holdings SA	Switzerland	100%+
Multicare Pharmaceuticals Philippines Inc.	Philippines	51%+
Lupin (Europe) Ltd.	United Kingdom	100%
Lupin Pharma Canada Ltd.	Canada	100%+
Lupin Healthcare Ltd. (from 17th March, 2011)	India	100%
Generic Health Pty Ltd. (from 27th September, 2010)	Australia	76.72%+
Bellwether Pharma Pty Ltd. (from 27th September, 2010)	Australia	76.72%#
Max Pharma Pty Ltd. (from 27th September, 2010)	Australia	76.72%#
Generic Health Inc. (from 27th September, 2010) (upto 4th October 2011)	USA	76.72%#
Lupin Mexico SA de CV (from 23rd August, 2010)	Mexico	100%+
Lupin Philippines Inc. (from 20th December, 2010)	Philippines	100%+
Generic Health SDN. BHD. (from 18th May, 2011)	Malaysia	100%+
Associate		
Generic Health Pty Ltd. (upto 26th September, 2010)	Australia	49.9%+

+ Ownership interest held through Lupin Holdings B.V., Netherlands.
* Wholly owned subsidiary of Kyowa Pharmaceutical Industry Co. Ltd., Japan.
** Ownership interest held through Kyowa Pharmaceutical Industry Co. Ltd., Japan.
# Wholly owned subsidiaries of Generic Health Pty Ltd., Australia.

The consolidated accounts thus include the results of the aforesaid subsidiaries and associates and there are no other body corporate / entities, where the Company holds more than 50% of the share capital or where the Company can control the composition of the Board of Directors / Governing Bodies of such Entities, where the holding may be less than 50%.

30. Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ` 1590.5 million (previous year ` 1353.8 million).

31. Contingent Liabilities:

(` in million)

		As at 31.03.2012	As at 31.03.2011
a)	Income tax demands / matters in respect of earlier years, pending in appeals [` 17.7 million (previous year ` 152.4 million)] consequent to department preferring appeal against the order of the Appellate Authority passed in favour of the Company. Amount paid there against and included under note 20 "Short-Term Loans and Advances" ` 27.0 million (previous year ` nil)	44.7	152.4
b)	Excise duty, Service tax and Sales tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. Amount paid thereagainst and included under note 20 "Short-Term Loans and Advances" ` 28.4 million (previous year ` 29.0 million).	416.8	195.1
c)	Claims against the Company not acknowledged as debts [excluding interest (amount unascertained) in respect of a claim] for transfer charges of land, octroi duty, employee claims, power and stamp duty. Amount paid thereagainst without admitting liability and included under note 20 "Short-Term Loans and Advances" ` 78.6 million (previous year ` 76.8 million).	432.9	311.1
d)	Counter guarantee given to GIDC in connection with repayment of loan sanctioned by a financial institution to a company, jointly promoted by an Association of Industries (of which, the Company is a member) and GIDC.	7.5	7.5
e)	Financial guarantee given to third party on behalf of subsidiary for contractual obligations.	152.6	133.8
f)	Bank Guarantees given on behalf of the Company to third party	15.9	-

The Company does not envisage any likely reimbursements in respect of the above.

32. Pre-operative expenses pending capitalisation included in Capital Work-In-Progress (Refer note 12) represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same will be capitalised on completion of projects and commencement of commercial operations. The details of the pre-operative expenses are:

(` in million)

Particulars	**2011-2012**	2010-2011
Opening balance	122.4	90.7
Incurred during the current year:		
Salaries, allowances and contribution to funds	38.8	28.2
Professional fees	1.3	0.2
Travelling expenses	4.4	3.4
Others	23.0	20.2
Total	67.5	52.0
Less : Capitalised during the year	101.1	20.3
Closing balance	**88.8**	**122.4**

33. Segment Reporting:

i) Primary segment:
The Group operates exclusively in the Pharmaceutical business segment which is the only reportable business segment.

ii) Secondary segment data:

(Current year ` in million)

Particulars	India	USA	Japan	Others	Total
Revenue by Geographical Segment	21506.8	24637.2	8680.1	16005.0	70829.1
Carrying amount of Segment Assets	38774.3	10504.1	15153.3	11516.7	75948.4
Capital Expenditure	4337.3	50.1	2033.7	447.8	6868.9

(Previous year ` in million)

Particulars	India	USA	Japan	Others	Total
Revenue by Geographical Segment	18489.4	20457.2	6258.4	12984.7	58189.7
Carrying amount of Segment Assets	32222.2	6591.8	8518.9	8857.9	56190.8
Capital Expenditure	3640.5	31.0	353.4	675.8	4700.7

Notes:

a) The segment revenue in geographical segments considered for disclosure is as follows:

i) Revenue within India includes sales to customers located within India and other operating income earned in India.

ii) Revenue outside India includes sales to customers located outside India and other operating income outside India.

b) Segment revenue comprises:

(Current year ` in million)

Particulars	India	USA	Japan	Others	Total
Sales (net of excise duty)	21115.4	24230.3	8607.3	15644.0	69597.0
Other Operating Income	391.4	406.9	72.8	361.0	1232.1
Total Revenue	21506.8	24637.2	8680.1	16005.0	70829.1

(Previous year ` in million)

Particulars	India	USA	Japan	Others	Total
Sales (net of excise duty)	18182.3	20080.3	6212.1	12593.5	57068.2
Other Operating Income	307.1	376.9	46.3	391.2	1121.5
Total Revenue	18489.4	20457.2	6258.4	12984.7	58189.7

34. Basic and Diluted Earnings per Share is calculated as under:

(` in million)

Particulars	**2011-2012**	2010-2011
Net Profit after minority interest and share of loss in associate, attributable to equity shareholders	8676.5	8625.5
Weighted average number of Equity Shares:		
- Basic	446460933	445575264
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as on 31.03.2012	1805072	2617049
- Diluted	448266005	448192313
Earnings per Share (in `)		
- Basic	19.43	19.36
- Diluted	19.36	19.25

35. a) The Company procures equipments, vehicles and office premises under operating leases. These rentals recognised in the Consolidated Statement of Profit and Loss for the year (Refer note 28) are ` 367.3 million (previous year ` 348.5 million). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

(` in million)

Particulars	2011-2012	2010-2011
Not later than one year	357.2	319.1
Later than one year but not later than five years	428.6	492.3
Later than five years	-	-
TOTAL	**785.8**	**811.4**

b) Subsidiary companies at Japan, South Africa and Philippines have future obligations under finance lease for procurement of Plant, Machinery, Equipments and Vehicles which are payable as under:

(` in million)

	2011-2012		
Particulars	Present Value of minimum lease payment	Future Interest Cost	Minimum lease payment
Not later than one year	31.8	3.8	35.6
	(30.0)	(4.0)	(34.0)
Later than one year but not later than five years	66.5	3.0	69.5
	(84.1)	(5.4)	(89.5)
Later than five years	-	-	-
	-	-	-
TOTAL	**98.3**	**6.8**	**105.1**
	(114.1)	(9.4)	(123.5)

Previous year figures are given in bracket.

36. Employees Stock Option Plans:

a) The Company implemented "Lupin Employees Stock Option Plan 2003" (ESOP 2003), "Lupin Employees Stock Option Plan 2005" (ESOP 2005) and "Lupin Subsidiary Companies Employees Stock Option Plan 2005" (SESOP 2005), "Lupin Employees Stock Option Plan 2011" (ESOP 2011) and "Lupin Subsidiary Companies Employees Stock Option Plan 2011" (SESOP 2011) as approved in earlier years by the Shareholders of the Company and the Remuneration / Compensation Committee of the Board of Directors. Details of the options granted during the year under the plans are as under:

Lupin Employees Stock Option Plan 2005 (ESOP 2005):

Grant Date	No. of Options	Exercise Price `	Vesting Period
July 21, 2011	4875	460.55	21.07.2011 to 21.07.2012
	4875	460.55	21.07.2011 to 21.07.2013
	11375	460.55	21.07.2011 to 21.07.2014
	11375	460.55	21.07.2011 to 21.07.2015
	32500		
November 18, 2011	50000	223.25	18.11.2011 to 18.11.2012
	50000		

Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005):

Grant Date	No. of Options	Exercise Price `	Vesting Period
April 14, 2011	1650	413.95	14.04.2011 to 14.04.2012
	1650	413.95	14.04.2011 to 14.04.2013
	3850	413.95	14.04.2011 to 14.04.2014
	3850	413.95	14.04.2011 to 14.04.2015
	11000		

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Grant Date	No. of Options	Exercise Price `	Vesting Period
August 02, 2011	461438	455.65	02.08.2011 to 02.08.2012
	461437	455.65	02.08.2011 to 02.08.2013
	461438	455.65	02.08.2011 to 02.08.2014
	461437	455.65	02.08.2011 to 02.08.2015
	1845750		

Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011):

Grant Date	No. of Options	Exercise Price `	Vesting Period
July 13, 2011	4750	458.30	13.07.2011 to 13.07.2012
	4750	458.30	13.07.2011 to 13.07.2013
	4750	458.30	13.07.2011 to 13.07.2014
	4750	458.30	13.07.2011 to 13.07.2015
	19000		
September 20, 2011	7500	473.90	20.09.2011 to 20.09.2012
	7500	473.90	20.09.2011 to 20.09.2013
	7500	473.90	20.09.2011 to 20.09.2014
	7500	473.90	20.09.2011 to 20.09.2015
	30000		
December 06, 2011	26470	469.95	06.12.2011 to 06.12.2012
	26470	469.95	06.12.2011 to 06.12.2013
	26470	469.95	06.12.2011 to 06.12.2014
	26470	469.95	06.12.2011 to 06.12.2015
	105880		
January 18, 2012	1625	433.25	18.01.2012 to 18.01.2013
	1625	433.25	18.01.2012 to 18.01.2014
	1625	433.25	18.01.2012 to 18.01.2015
	1625	433.25	18.01.2012 to 18.01.2016
	6500		

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ` 2 each. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plans with an exercise period of ten years from the respective grant dates.

The particulars of the options granted and lapsed under the Schemes are as below:

Lupin Employees Stock Option Plan 2003 (ESOP 2003):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	1303850	1542105
Add: Options granted during the year	-	222500
Less: Options lapsed during the year	115000	46250
Less: Options exercised during the year	103067	414505
Options outstanding as at the year end	1085783	1303850

Lupin Employees Stock Option Plan 2005 (ESOP 2005):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	1535600	2184510
Add: Options granted during the year	82500	235000
Less: Options lapsed during the year	89300	38505
Less: Options exercised during the year	278710	845405
Options outstanding as at the year end	1250090	1535600

Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	548136	759250
Add: Options granted during the year	11000	100000
Less: Options lapsed during the year	-	89000
Less: Options exercised during the year	58715	222114
Options outstanding as at the year end	500421	548136

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	-	-
Add: Options granted during the year	1845750	-
Less: Options lapsed during the year	86500	-
Less: Options exercised during the year	-	-
Options outstanding as at the year end	1759250	-

Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	-	-
Add: Options granted during the year	161380	-
Less: Options lapsed during the year	-	-
Less: Options exercised during the year	-	-
Options outstanding as at the year end	161380	-

b) The Company has followed the intrinsic value based method of accounting for stock options granted after April 1, 2005 based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the said Guidance Note, the Company's net income would be lower by ` 198.1 million (previous year ` 86.3 million) and earnings per share as reported would be lower as indicated below:

(` in million)

Particulars	**Year Ended 31.03.2012**	Year Ended 31.03.2011
Net profit as reported	8676.5	8625.5
Less : Total stock-based employee compensation expense determined under fair value based method	210.2	93.4
Add : Total stock-based employee compensation expense determined under intrinsic value based method	12.1	7.1
Adjusted net profit	8478.4	8539.2
Basic earnings per share		
- As reported (in `)*	19.43	19.36
- Adjusted (in `)	18.99	19.16
Diluted earnings per share		
- As reported (in `)*	19.36	19.25
- Adjusted (in `)	18.91	19.05

* Refer note 34

The fair value of each option granted during the year is estimated on the date of grant based on the following assumptions:

	ESOP 2005 Plan		**SESOP 2005 Plan**	**ESOP 2011 Plan**	**SESOP 2011 Plan**			
Grant Dated	July 21, 2011	November 18, 2011	April 14, 2011	August 2, 2011	July 13, 2011	September 20, 2011	December 6, 2011	January 18, 2012
Particulars								
Dividend yield (%)	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Expected life (years)	6.45	5.50	6.45	6.25	6.25	6.25	6.25	6.25
Risk free interest rate (%)	8.41	8.75	7.94	8.41	8.31	8.32	8.55	8.14
Volatility (%)	36.19	35.89	36.52	36.19	36.30	36.24	35.75	35.52

37. Stock Appreciation Rights:

During the year, the Company has granted Stock Appreciation Rights ("SARs") to certain eligible employees in accordance with Lupin Employees Stock Appreciation Rights Scheme ("LESARs 2011") approved by the Board of Directors (Board) at their Board Meeting held on September 13, 2011. Under the scheme, eligible employees are entitled to receive appreciation in value of shares on completion of the vesting period.

The Scheme is administered through the Lupin Employees Benefit Trust (the "Trust") as settled by the Company. The Trust is administered by an independent Trustee. At the end of the vesting period of 3 years, the equity shares will be sold in the market by the Trust and the appreciation on the same (if any) will be distributed to the said employees, subject to vesting conditions.

As approved by the Board, the Company has advanced an interest free loan of ` 220.1 million to the Trust during the year to acquire appropriate number of Equity Shares of the Company from the market on the grant date of SARs and the loan outstanding as at the balance sheet date aggregating to ` 220.1 million is included under "Long-Term Loans and Advances". (Refer note 15)

The particulars of the rights assigned and lapsed under the Scheme are as below:

Lupin Employees Stock Appreciation Rights 2011:

Particulars	**Year Ended 31.03.2012**	Year Ended 31.03.2011
Rights outstanding at the beginning of the year	-	-
Add: Rights assigned during the year	463409	-
Less: Rights lapsed during the year	8119	-
Rights outstanding at the year end	455290	-

The related compensation cost for outstanding SARs amounting to ` 3.5 million has been recognized as Employee Benefits Expense and the corresponding credit is included under "Reserves and Surplus" as Employee Stock Appreciation Rights Outstanding. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the Guidance Note on Accounting for Employee Share-based Payments issued by ICAI, the Company's net income would be lower by ` 5.7 million (previous year ` nil) and earnings per share as reported would be lower as indicated below:

(` in million)

Particulars	**Year Ended 31.03.2012**	Year Ended 31.03.2011
Net profit as reported	8676.5	-
Less: Total stock-based employee compensation expense determined under fair value based method	9.2	-
Add: Total stock-based employee compensation expense determined under intrinsic value based method	3.5	-
Adjusted net profit	8670.8	-
Basic earnings per share		
- As reported (in `)*	19.43	-
- Adjusted (in `)	19.42	-
Diluted earnings per share		
- As reported (in `)*	19.36	-
- Adjusted (in `)	19.34	-

* Refer note 34

38. Post Employment Benefits:

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. The superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ` 227.7 million (previous year ` 219.9 million) for superannuation contribution and other retirement benefits in the Consolidated Statement of Profit and Loss.

The Company recognised ` 1.5 million (previous year ` 3.8 million) for provident fund contributions in the Consolidated Statement of Profit and Loss.

(ii) Defined Benefit Plan:

A) The provident fund plan of the Company, except one plant, is operated by the "Lupin Limited Employees Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The ASB Guidance on Implementing AS-15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefit plans involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and shortfall aggregating ` 24.6 million has been provided for. The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan.

The Company recognised ` 175.7 million (Previous year ` 137.0 million) for provident fund contributions in the Consolidated Statement of Profit and Loss.

B) The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2012. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

a) The Company

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and provident fund plan and the amounts recognised in the Company's financial statements as at the balance sheet date.

(` in million)

Sr. No.	Particulars	Gratuity (Funded)		Provident Fund (Funded)##
		As on 31.03.2012	As on 31.03.2011	**As on 31.03.2012**
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**			
	Current service cost	74.1	30.7	616.4
	Past service cost	-	1.2	-
	Interest cost	29.0	20.2	7.4
	Actuarial loss / (gain)	18.5	105.9	(94.6)
	Benefits paid	(43.5)	(26.6)	(243.5)
	PVO at the beginning of the year	384.6	244.3	1867.1
	Addition on amalgamation	-	8.9	-
	PVO at end of the year	462.7	384.6	2152.8
II)	**Change in fair value of plan assets:**			
	Expected return on plan assets	35.2	29.1	154.0
	Actuarial gain / (loss)	(2.3)	-	-
	Contributions by the employer	57.9	142.9	442.5
	Transfer from gratuity fund on amalgamation of erstwhile subsidiary (refer note 46)	5.0	-	-
	Benefits paid	(43.5)	(26.6)	(243.5)
	Fair value of plan assets at beginning of the year	365.4	213.3	1775.2
	Addition on amalgamation	-	6.7	-
	Fair value of plan assets at end of the year	417.7	365.4	2128.2

Sr. No.	Particulars	Gratuity (Funded)		Provident Fund (Funded)##
		As on 31.03.2012	As on 31.03.2011	**As on 31.03.2012**
III)	**Reconciliation of PVO and fair value of plan assets:**			
	PVO at end of the year	462.7	384.6	2152.8
	Fair Value of plan assets at end of the year	417.7	365.4	2128.2
	Funded status	(45.0)	(19.2)	(24.6)
	Unrecognised actuarial gain / (loss)	-	-	-
	Net liability recognised in the balance sheet	(45.0)	(19.2)	(24.6)
IV)	**Net cost for the year:**			
	Current service cost	74.1	30.7	616.4
	Past service cost	-	1.2	-
	Interest cost	29.0	20.2	7.4
	Expected return on plan assets	(35.2)	(29.1)	(154.0)
	Actuarial losses / (gain)	20.8	105.9	(94.6)
	Net cost	88.7	128.9	375.2
V)	**Category of assets as at the end of the year:**			
	Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	417.7	365.4	
VI)	**Actual return on the plan assets**	32.9	29.1	154.0
VII)	**Assumption used in accounting for the gratuity plan:**			
	Discount rate (%)	8.7	8.0	8.7
	Salary escalation rate (%)	6.0	6.0	6.0
	Expected rate of return on plan assets (%)	9.5	9.5	8.7

(` in million)

Gratuity (Funded)	Year Ended				
	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Experience adjustment					
On plan liabilities	90.5	#	#	#	#
On plan assets	2.3	#	#	#	#
Present value of benefit obligation	(462.7)	(384.6)	(244.3)	(186.5)	(182.3)
Fair value of plan assets	417.7	365.4	213.3	165.1	178.3
Excess of (obligation over plan assets) / plan assets over obligation	(45.0)	(19.2)	(31.0)	(21.4)	(4.0)

Experience adjustment information in respect of previous four years is not available, hence not disclosed.

This is the first year of valuation, hence previous year figures are not disclosed.

b) Kyowa Pharmaceutical Industry Co. Ltd., Japan

The Company's subsidiary at Japan has retirement and pension plans to cover all its employees. The plans consist of a defined benefit pension plan (upto 30.09.2010) and a retirement benefit sum payment plan (referred as "plans"). From October 1, 2010 defined benefit pension plan has been discontinued and new defined contribution non-funded pension plan has started.

Under the plans, employees are entitled to benefits based on level of salaries, length of service and certain other factors at the time of retirement or termination.

The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Retirement allowances for directors are provided for liability of the amount that would be required if all directors retired at the balance sheet date.

The following table sets out the status of the retirement plan and the amounts recognised in the Company's financial statements as at March 31, 2012.

(` in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non-funded)	Pension Benefits (funded)	Lump sum Retirement Benefits (non-funded)	Pension Benefits (funded)
		As on 31.03.2012		As on 31.03.2011	
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**				
	Current service cost	11.4	-	10.7	1.6
	Interest cost	1.6	-	1.2	0.3
	Actuarial (gain) / loss	4.8	-	2.2	3.0
	Benefits paid	(3.0)	-	(0.8)	-
	Settlement caused by the plan amendment	-	-	(4.4)	(43.0)
	Past service cost	-	-	-	-
	Foreign exchange translation difference	12.6	-	7.8	3.7
	PVO at the beginning of the year	81.1	-	64.4	34.4
	PVO at end of the year	108.5	-	81.1	-
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	-	-	-	0.4
	Actuarial (loss) / gain	-	-	-	(3.9)
	Contributions by the employer	-	-	-	7.5
	Benefits paid	-	-	-	-
	Settlement caused by the plan amendment	-	-	-	(60.5)
	Foreign exchange translation difference	-	-	-	6.0
	Fair value of plan assets at beginning of the year	-	-	-	50.5
	Fair value of plan assets at end of the year	-	-	-	-
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at end of year	108.5	-	81.1	-
	Fair Value of plan assets at end of the year	-	-	-	-
	Funded status	(108.5)	-	(81.1)	-
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net asset / (liability) recognised in the balance sheet	(108.5)	-	(81.1)	-
IV)	**Net cost for the year ended:**				
	Current service cost	11.4	-	10.7	1.6
	Interest cost	1.6	-	1.2	0.3
	Settlement (gain) - projected benefit obligation	-	-	-	(0.4)
	Settlement losses - plan assets	-	-	(4.4)	(43.0)
	Expected return on plan assets	-	-	-	59.9
	Actuarial (gain) / losses	4.8	-	2.2	6.8
	Net cost	17.8	-	9.7	25.2
V)	**Category of assets as at year end:**				
	Funds managed by private bank (100%)	-	-	-	-
	(Category-wise composition of the Plan Assets are not available)				
VI)	**Actual return on the plan assets**	-	-	-	0.4
VII)	**Assumption used in accounting for the retirement benefit plan:**				
	Discount rate (%)	1.5	-	1.6	1.8
	Salary escalation rate (%)	-	-	-	-
	Expected rate of return on plan assets (%)	-	-	-	1.5

Liability of lump sum retirement benefit as above along with liability for retirement benefits of Directors ` 10.4 million (previous year ` 21.4 million) is shown under Short-Term Provisions.

(` in million)

	Year Ended				
	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Experience adjustment					
On plan liabilities	2.0	#	#	#	#
On plan assets	-	#	#	#	#
Present value of benefit obligation	(108.5)	(81.1)	(64.4)	(62.3)	#
Fair value of plan assets	-	-	-	-	#
Excess of obligation over plan assets	(108.5)	(81.1)	(64.4)	(62.3)	#

Experience adjustment information in respect of previous four years is not available, hence not disclosed.

c) I'rom Pharmaceutical Co. Ltd., Japan

The Company's another subsidiary at Japan has retirement plan to cover its employees.

Under the plan, employees are entitled to benefits based on level of salaries, length of service and certain other factors at the time of retirement or termination.

The most recent actuarial valuation of the present value of the defined benefit obligation for retirement benefits were carried out as at March 31, 2012. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the retirement plan and the amounts recognised in the Company's financial statements as at March 31, 2012.

(` in million)

Sr. No.	Particulars	Lump sum Retirement Benefits (non-funded) **As on 31.03.2012**
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**	
	Current Service Cost	-
	Interest Cost	-
	Actuarial (gain) / loss	(1.0)
	Benefits paid	-
	Foreign exchange translation difference	(22.5)
	PVO at beginning of the year	306.9
	PVO at end of the year	283.4
II)	**Reconciliation of PVO and fair value of plan assets:**	
	PVO at end of the year	283.4
	Fair Value of planned assets at end of the year	-
	Funded status	-
	Unrecognised actuarial gain / (loss)	-
	Net asset / (liability) recognised in the balance sheet	(283.4)
III)	**Net cost for the year ended:**	
	Current Service cost	-
	Interest cost	-
	Actuarial (gain) / loss	(1.0)
	Net cost	(1.0)
IV)	**Assumption used in accounting for retirement benefit plans:**	
	Discount rate (%)	1.4
	Salary escalation rate (%)	-
	Expected rate of return on plan assets (%)	-

i) Information of experience adjustment in respect of previous years is not available, hence not disclosed.
ii) The subsidiary was acquired on 30th November 2011 and accordingly previous year figures not available.

In addition to above plan, the company is a member of Tokyo Pharmaceutical Industry Employee Pension Fund. This multi-employer pension plan does not permit us to reasonably calculate the value of the pension assets based on our contribution. As a result, this multi-employer pension plan is excluded from the calculation of projected benefit obligation. The required contribution to this plan along with the contribution under the retirement plan is charged to Consolidated Statement of Profit and Loss amounting to ` 1.3 million.

d) Multicare Pharmaceuticals Philippines Inc., Philippines

The Company's subsidiary at Philippines makes annual contributions to a private bank to fund defined benefit plan for qualifying employees. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for retirement benefit were carried out as at March 31, 2012. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the retirement plan and the amounts recognised in the Company's financial statements as at March 31, 2012

(` in million)

Sr. No.	Particulars	Retirement Benefits (funded)	
		As on 31.03.2012	As on 31.03.2011
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**		
	Current service cost	6.5	3.8
	Interest cost	1.8	1.3
	Actuarial (gain) / loss	0.3	3.9
	Benefits paid	(0.7)	(0.1)
	Past service cost	-	-
	Foreign exchange translation difference	4.0	0.5
	PVO at the beginning of the year	22.8	13.4
	PVO at end of the year	34.6	22.8
II)	**Change in fair value of plan assets:**		
	Expected return on plan assets	0.7	0.5
	Actuarial gain / (loss)	` (33,109)	1.3
	Contributions by the employer	0.6	-
	Benefits paid	(0.7)	(0.1)
	Foreign exchange translation difference	1.6	0.3
	Fair value of plan assets at beginning of the year	10.0	8.0
	Fair value of plan assets at end of the year	12.0	10.0
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	34.6	22.8
	Fair Value of plan assets at end of the year	12.0	10.0
	Funded status	(22.6)	(12.8)
	Unrecognised actuarial (loss) / gain	0.7	0.3
	Net asset / (liability) recognised in the balance sheet	(21.8)	(12.5)
IV)	**Net cost for the year ended:**		
	Current Service cost	6.5	3.8
	Interest cost	1.8	1.3
	Expected return on plan assets	(0.7)	(0.5)
	Actuarial (gain) / losses	-	(0.1)
	Net cost	7.6	4.5

Sr. No	Particulars	Retirement Benefits (funded)	
		As on 31.03.2012	As on 31.03.2011
V)	**Category of assets as at March 31, 2012:**		
	Investment in government securities	51%	49%
	Investment in common trust fund	41%	43%
	Investment in other securities and debt instruments	5%	5%
	Investment in loans and bill discounts	1%	1%
	Bank savings deposit	2%	2%
VI)	**Actual return on the plan assets**	0.7	0.5
VII)	**Assumption used in accounting for retirement benefit plan:**		
	Discount rate (%)	6.2	7.2
	Salary escalation rate (%)	7.0	7.0
	Expected rate of return on plan assets (%)	6.5	6.5

(` in million)

	Year Ended				
	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Experience adjustment					
On plan liabilities	0.3	#	#	#	#
On plan assets	` (33,109)	#	#	#	#
Present value of benefit obligation	(34.6)	(22.8)	(13.4)	#	#
Fair value of plan assets	12.0	10.0	8.0	#	#
Excess of obligation over plan assets	(22.6)	(12.8)	(5.4)	#	#

Experience adjustment information in respect of previous four years is not available, hence not disclosed.

39. Details on unhedged foreign currency exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as given below:

a. Amount receivable in foreign currency on account of the following:

Particulars	**As on 31.03.2012**		As on 31.03.2011		Foreign Currency
	` in million	Amount in Foreign Currency	` in million	Amount in Foreign Currency	
Export of goods					
	66.8	1262147	88.9	1930132	AUD
	1.7	33800	7.0	157950	ACUD
	395.5	5825339	400.2	6320950	EURO
	2314.6	45495141	2610.3	58532776	USD
	2.1	1732800	-	-	PHP
Other receivables					
	160.0	3026630	-	-	AUD
	0.1	2686513	` 35854/-	1327712	UZS
	0.1	794	-	-	EURO
	9.9	195425	2.0	44139	USD
	2.0	1119322	2.4	1532455	RUB
	0.3	753799	0.6	1758163	KZT
	-	-	0.4	5616	GBP
	2.2	272886	1.1	167067	RMB
	0.1	12551	0.7	122423	UAH
	139.0	21000000	-	-	ZAR
	7.3	143071	-	-	CHF

b. Amount payable in foreign currency on account of the following:

Particulars	**As on 31.03.2012**		As on 31.03.2011		Foreign Currency
	` in million	Amount in Foreign Currency	` in million	Amount in Foreign Currency	
Import of goods and services					
	1356.5	26772332	1143.1	25597489	USD
	17.1	225381	10.8	151539	GBP
	282.6	4148594	174.9	2816393	EURO
	6.7	119043	0.9	18844	CHF
	-	-	13.4	25051050	JPY
	-	-	1.2	25213	AUD
	-	-	` 45231/-	28358	RUB
	0.7	14539	-	-	CAD
Secured and Unsecured Loans payable	10288.2	202225461	8984.7	201473795	USD
Interest accrued and not due on Secured and Unsecured loans	0.2	3933	3.6	81482	USD
Other payables					
	305.2	6004912	277.0	6191023	USD
	1.0	586988	-	-	RUB
	1.1	13758	-	-	GBP
	0.3	869288	0.5	1435134	KZT
	-	-	` 8600/-	314574	UZS
	3.4	66210	1.8	39720	ACUD
	2.1	315753	-	-	UAH
	44.4	664440	195.8	3983340	EURO
	2.6	48422	2.5	55093	AUD
	0.3	4696	3.0	61908	CHF
	-	-	0.1	14425	BWP
	0.3	18594	0.1	7644	AED
	0.5	16166	0.9	31209	BRL

40. Details of Derivative Contracts:

i) The Company enters into forward and option contracts in order to hedge and manage its foreign currency exposures towards future export earnings. Such derivative contracts (including contracts for a period extending beyond the financial year 2012-13) are entered into by the Company for hedging purposes only, and are accordingly classified as cash flow hedges.

ii) During the earlier years, the subsidiary located at Japan had entered into Interest Rate Swap agreements as a means of hedging interest rates related risks in respect of variable rate debts.

The category wise break-up there of is as under:

(Amount in million)

Particulars	Currency	**As at 31.03.2012**	As at 31.03.2011	Cross Currency
Forward contracts	USD	232.0	275.0	INR
Option contracts	USD	31.5	55.5	INR
Forward contracts	EUR	-	4.0	INR
Forward contracts	EUR	10.0	7.0	USD
Interest rate swap contracts	JPY	-	94.3	N.A.

The changes in the fair value of the derivative contracts during the year ended March 31, 2012, aggregating ` 631.9 million (previous year ` 124.6 million) designated and effective as hedges have been debited to the Cash Flow Hedge Reserve and ` 4.7 million (previous year ` 20.3 million credited) is debited to the Consolidated Statement of Profit and Loss, being the ineffective portion thereof.

41. The aggregate amount of revenue expenditure incurred by the Company and subsidiary companies during the year on Research and Development and shown in the respective heads of account is ` 5228.3 million (previous year ` 4834.2 million).

42. a) During the year, the Company, through its wholly owned subsidiary Lupin Holdings B.V., Netherlands ("LHBV"), acquired / subscribed to the equity stake of the following 100% subsidiaries:

i) Additional investment in Hormosan Pharma GmbH, Germany at a total cost of ` 177.1 million.

ii) Additional investment in Lupin Philippines Inc., Philippines at a total cost of ` 6.1 million.

iii) Additional investment in Lupin Mexico SA de CV, Mexico at a total cost of ` 8.6 million.

b) During the year, Kyowa Pharmaceutical Industry Co. Ltd., Japan (wholly owned subsidiary of LHBV) acquired 99.99% equity stake of I'rom Pharmaceutical Co. Ltd., Japan at a total cost of ` 2289.4 million.

The above acquisitions / subscriptions are based on the net asset values, the future projected revenues, operating profits, cash flows etc. of the investee companies.

c) Goodwill on Consolidation comprises of:

(` in million)

Goodwill in respect of	**As on 31.03.2012**	As on 31.03.2011
Kyowa Pharmaceutical Industry Co. Ltd., Japan	2050.5	1912.3
Hormosan Pharma GmbH, Germany	258.0	240.6
Pharma Dynamics (Proprietary) Ltd., South Africa	821.6	766.2
Multicare Pharmaceuticals Philippines Inc., Philippines	210.5	196.3
Generic Health Pty Ltd., Australia	149.4	139.5
I'rom Pharmaceutical Co. Ltd., Japan	1550.0	-
TOTAL	**5040.0**	**3254.9**

d) Details of Investments in an Associate (upto 26th September 2010) :

(` in million)

Name of associate	Investment in ordinary shares (Nos.)	Cost of Investments in ordinary shares	Amount of Goodwill at the time of acquisition	Share in accumulated loss of associate	Carrying amount of Investments at the year end / period
Generic Health Pty Ltd., Australia	- (48318742)	- (430.6)	- (110.6)	- (122.2)	- (-)*

Figures in bracket are for previous year

* Became a subsidiary company w.e.f. September 27, 2010

e) At the beginning of the previous year, the Company was holding 30,199,214 shares of ` 326.6 million in an associate company - Generic Health Pty Ltd., Australia (GH) representing 49.91% stake in that company. During the previous year the Company acquired further 44,004,876 shares at a cost of ` 252.5 million as a result of which the aggregate holding of the company in GH has increased to 76.65%, resulting in GH becoming a subsidiary of the Company. Further, during the year additional 300,000 shares have been allotted free of cost by GH, resulting into aggregate shareholding of 76.72% of the Company.

43. Foreign Currency Translation Reserve (Refer note 3) represents the net exchange difference on translation of the financial statements of foreign subsidiaries located at Japan, Australia, Germany, South Africa, Philippines, Switzerland and Canada from their local currency to the Indian currency. Such operations are considered as 'non integral' to the Company. Consequently, in accordance with the Accounting Standard (AS 11) 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)", the exchange gain on translation of ` 982.9 million (previous year of ` 188.2 million) is credited during the year to such reserve instead of to the Consolidated Statement of Profit and Loss.

44. Minority Interest represents the minority's share in equity of the subsidiaries as below:

(` in million)

Particulars	**As at 31.03.2012**	As at 31.03.2011
Pharma Dynamics (Proprietary) Ltd., South Africa		
-Share in Equity Capital	0.2	0.2
-Share in Reserves and Surplus	625.5	396.6
	625.7	396.8
Multicare Pharmaceuticals Philippines Inc., Philippines		
-Share in Equity Capital	13.2	13.2
-Share in Reserves and Surplus	76.0	43.8
	89.2	57.0
Generic Health Pty Ltd., Australia		
-Share in Equity Capital	210.9	210.9
-Share in Reserves and Surplus	(203.0)	(149.6)
	7.9	61.3
I'rom Pharmaceutical Co., Ltd., Japan		
-Share in Equity Capital	-	-
-Share in Reserves and Surplus	0.1	-
	0.1	-
TOTAL	**722.9**	**515.1**

45. Auditors' Remuneration:

(` in million)

	2011-2012*	2010-2011*
Payment to Auditors:		
a) As Auditors	28.8	22.8
b) for other services including Taxation matters and certifications	16.2	11.4
c) Reimbursement of out-of-pocket expenses	0.2	0.1
TOTAL	**45.2**	**34.3**

* Excluding taxes.

46. During the previous year:

a) Under Sections 391-394 of the Companies Act, 1956, Lupin Pharmacare Limited and Lupin Herbal Limited together with Novodigm Limited, wholly owned subsidiaries of the Company ('transferor companies'), stood amalgamated with the Company on a going concern basis effective from May 27, 2010, pursuant to the scheme sanctioned by the Honourable High Court of Judicature at Ahmedabad vide its order dated May 6, 2010.

b) The said amalgamation was accounted for under the "Pooling of Interests" method as prescribed by the Accounting Standard 14 'Accounting for Amalgamations' as notified by the Companies (Accounting Standards) Rules, 2006. In terms of the Scheme, all the assets and liabilities of the transferor companies were transferred to the Company at their respective book values and all inter-company balances were cancelled. Since the transferor companies were wholly owned subsidiaries, the shares held by the Company in the aforesaid companies stood cancelled and no shares were issued to effect the amalgamation.

c) Consequently, the goodwill of ` 218.1 million arising on amalgamation is reflected in the standalone financial statements of the Company from the year ended March 31, 2011. The said goodwill is being amortized over a period of five years.

47. a) The Company through its wholly owned subsidiary at Netherlands, namely Lupin Holdings B. V. ("LHBV"), held 100% equity stake at cost of ` 310.7 million in Hormosan Pharma GmbH, Germany (Hormosan). The said subsidiary continued to incur losses during the year and has a negative net worth aggregating to ` 3.4 million as at the end of the year. LHBV has made further capital contribution of ` 177.1 million (previous year ` 220.1 million) during the year in the above subsidiary. Considering the financial, technical and operational support from Lupin Limited (the holding company of LHBV) and Hormosan's projections / plans for introducing many new products (including products from Lupin Limited, India) in the German Market in the near future, growth in the turnover and profitability is expected, which would result in improvement in net worth, over a period of time.

b) The Company through its wholly owned subsidiary at Netherlands, namely LHBV has increased its stake in Generic Health Pty Ltd., Australia (GH) to 76.72% representing 74504090 shares, costing ` 579.1 million. The company considers its investments in GH to be long-term and strategic in nature. The company has also given interest bearing loan of ` 158.6 million (previous year ` 125.0 million) to GH. During the year, though, GH has incurred loss, there is an improvement in the networth position as at the year end due to further capital contribution from the Company. GH has plans to introduce many new products (including products from Lupin Limited, India) in the Australian market in the near future. As a result of this it is expected that the company's turnover would increase leading to profitability and improvement in net worth over a period of time.

c) The Company through its subsidiary at Australia, GH, has made long-term strategic investments aggregating to ` 32.7 million in Bellwether Pharma Pty Ltd and ` 117.0 million in Max Pharma Pty Ltd. The said subsidiaries continued to incur losses during the period and have negative net worth. Considering the financial, technical and operational support from the Company and projections / plans for introducing many new products (including products from Lupin Limited, India) in the Australian market in the near future, it is expected that the said subsidiaries' turnover would increase leading to profitability and improvement in net worth over a period of time.

Based on the above and considering that the Company's investments in these subsidiaries are held as strategic long-term investments, in the opinion of the management, the diminution in the value of the aforesaid investments is considered temporary and the loan is considered good of recovery as at the balance sheet date and hence no provision is considered necessary as at the balance sheet date.

48. During the year ended 31st March, 2010, a wholly owned subsidiary company located in Switzerland, Lupin Atlantis Holdings SA, acquired certain assets (Manufacturing Knowhow / Product Marketing Rights, etc.) related to a product, in accordance with the terms of agreement entered into by the said subsidiary. Further, another wholly owned subsidiary of the Company located at Canada, also commenced setting up of plant and machinery related to the said product. Accordingly, pending completion of activities necessary for product availability, the said assets were included under "Capital-Work-In-Progress (CWIP)".

During the year, the aforesaid two subsidiaries have taken trial run batches to test whether the product output is as per the desired specification. During such trial runs there were some technical issues faced and for these companies are working upon to resolve the same. This may involve modification to the existing plant and machinery so as to meet the desired specifications of the product. As a result, there has been delay in commencement of commercial production.

The Manufacturing Knowhow / Product Marketing Rights and the Plant and Machinery will be available for use only upon successful resolution of such technical issues and obtaining successful trial run batches of the product. Accordingly, the said assets continue to be included under CWIP.

The Company expects successful resolution of the technical issues and commencement of commercial production shortly. Accordingly, in the opinion of the management, there is no impairment of these assets as at the balance sheet date.

49. Excise duty (Refer note 28) includes ` 23.2 million (previous year ` 2.8 million) being net impact of the excise duty provision on opening and closing stock.

50. The Company and its subsidiary located in USA, Philippines and Australia are involved in various legal proceedings, including product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Company carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defences the ultimate disposition of these matters will not have material adverse effect on its Financial Statements.

51. The current tax in respect of foreign subsidiaries has been computed considering the applicable tax laws and tax rates of the respective countries, as certified by the local tax consultants / local management of the said subsidiaries.

52. Disclosures as required by Accounting Standard 29 (AS 29) "Provisions, Contingent Liabilities and Contingent Assets".

In the earlier years, in accordance with the terms of 'Asset Purchase Agreement' entered into with the vendor, with respect to purchase of Marketing Right, the subsidiary company at Switzerland (Lupin Atlantis Holdings SA) has made provision in accordance with the provisions of AS 29 "Provisions, Contingent Liabilities and Contingent Assets" of ` 45.1 million on best estimate basis with regard to assumed liabilities. The disclosure of the said provision is as under:

(` in million)

Particulars	**As at 31.03.2012**	As at 31.03.2011
Opening balance	-	45.1
Additions	-	-
Utilisation	-	38.9
Reversal	-	6.2
Closing balance	-	-

53. No borrowing cost has been capitalised during the year.

54. Information relating to Subsidiaries including subsidiaries of subsidiaries (In terms of Government of India, Ministry of Corporate Affairs General Circular No: 2/2011, No: 5/12/2007-CL-III dated 8th February, 2011) for the year ended March 31, 2012

Name of the subsidiary company	Year	Lupin Pharmaceuticals Inc., USA	Kyowa Pharmaceutical Industry Co., Ltd., Japan	Lupin Australia (Pty) Ltd., Australia	Lupin Holdings B.V., Netherlands	Pharma Dynamics (Proprietary) Ltd., South Africa	Hormosan Pharma GmbH, Germany	Multicare Pharmaceuticals Philippines Inc., Philippines	Lupin Atlantis Holdings SA, Switzerland	Lupin (Europe) Ltd., U.K.	Amel Touhoku, Japan	Lupin Pharma Canada Ltd., Canada	Lupin Mexico SA de CV Mexico [a]	Generic Health Pty Ltd., Australia [b]	Bellwether Pharma Pty Ltd., Australia [b]	Generic Health Inc., U.S.A. [b]	Max Pharma Pty Ltd., Australia [b]	Lupin Philippines Inc., Philippines [c]	Lupin Healthcare Ltd., India [d]	Generic Health SDN. BHD., Malaysia	I'rom Pharmaceutical Co., Ltd, Japan
The financial year/period ended on		Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	From April 1, 2011 to October 4, 2011	Year ended March 31, 2012	Year ended March 31, 2012	Year ended March 31, 2012	From May 18, 2011 to March 31, 2012	From Novemeber 30, 2011 to March 31, 2012
		` in million	` in million	` in million	` in million	` in million	` in million	` in million	` in million	` in million	` in million	` in million	` in million	` in million	` in million	`	` in million	` in million	` in million	`	` in million
Capital	2011-12	13.8	34.9	16.9	6,720.3	0.5	8.1	26.9	2,352.6	20.0	1.0	125.3	8.7	903.0	264.5	-	125.1	15.3	26.2	68.0	333.9
	2010-11	13.8	34.9	16.9	6,720.3	0.5	8.1	26.9	2,352.6	20.0	1.0	125.3	0.2	903.0	264.5	62 .0	125.1	9.2	20.0	-	-
Reserves	2011-12	1,749.5	4,219.4	(0.6)	958.0	975.8	(11.5)	142.2	1,341.2	9.7	3.1	10.2	(7.4)	(304.4)	(763.2)	-	(119.6)	(19.3)	51.5	-	256.5
	2010-11	1,137.7	2,784.1	5.0	644.4	652.0	(124.4)	81.7	960.8	5.0	3.5	(2.6)	(0.1)	(220.8)	(679.2)	62 .0	(133.9)	(0.9)	(1.0)	-	-
Total Liabilities	2011-12	14,182.5	7,768.8	2.4	154.2	658.2	605.2	287.4	539.6	155.6	35.7	0.5	0.6	562.6	811.1	-	55.9	6.4		-	2,516.9
	2010-11	9,687.4	4,052.4	0.6	138.0	535.1	530.0	190.4	651.2	106.7	75.6	0.8		213.7	574.4	-	49.1	0.3	1.1	-	-
Total Assets	2011-12	15,945.8	12,023.1	18.8	7,832.5	1,634.5	601.8	456.5	4,233.4	185.3	39.8	136.0	1.9	1,161.3	312.5	-	61.4	2.5	77.7	68.0	3,107.4
	2010-11	10,838.9	6,871.4	22.6	7,502.7	1,187.5	413.8	299.0	3,964.5	131.7	80.1	123.5	0.1	895.9	159.7	-	40.3	8.7	20.0	-	-
Investment (Other than in subsidiaries)	2011-12	-	7.6	-	-	-			-	-	-	-	-	-	-	-	-	-	-	-	0.2
	2010-11	-	13.8	-	-	-			-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover (Net)	2011-12	24,230.3	7,436.1	-	302.6	2,554.1	516.7	662.8	2,047.9	132.2	111.1	-	-	133.1	352.1	-	110.5	-	-	-	1,141.2
	2010-11	20,080.3	6,151.8	-	580.2	1,828.5	413.5	418.2	1,749.7	118.7	198.4	-	-	3.9	87.1	-	54.9	-	-	-	-
Profit/(Loss) before Tax	2011-12	932.8	1,543.8	(5.6)	313.8	774.3	(49.4)	77.8	93.3	5.5	0.6	(0.8)	(7.3)	(153.3)	0.2	-	17.4	(18.4)	(2.6)	-	(20.1)
	2010-11	607.1	1,025.0	1.0	612.2	626.0	(185.6)	24.9	92.2	18.0	4.1	(1.4)	(0.1)	(79.2)	(20.3)	-	(2.4)	(0.9)	(1.0)	-	-
Provision for Tax	2011-12	321.0	515.9	-	0.3	211.9	(0.1)	22.5	8.3	0.8	0.1	-	-	-	-	-	-	-	0.4	-	1.0
	2010-11	286.4	329.7	-	1.3	172.7	(0.1)	7.0	8.5	6.5	0.8	-	-	-	-	-	-	-		-	-
Profit/(Loss) after Tax	2011-12	611.8	1,028.0	(5.6)	313.5	562.4	(49.3)	55.3	85.0	4.7	0.5	(0.8)	(7.3)	(153.3)	0.2	-	17.4	(18.4)	(3.0)	-	(21.1)
	2010-11	320.7	695.3	1.0	610.9	453.3	(185.5)	17.9	83.7	11.5	3.3	(1.4)	(0.1)	(79.2)	(20.3)	-	(2.4)	(0.9)	(1.0)	-	-
Proposed dividend	2011-12	-	-	-	-	226.1	-	5.3	164.6	-	-	-	-	-	-	-	-	-	-	-	-
	2010-11	-	-	-	-	189.7	-	7.9	463.2	-	-	-	-	-	-	-	-	-	-	-	-
Reporting Currency	2011-12	USD	JPY	AUD	Euro	ZAR	Euro	Philippines Pesos	USD	GBP	JPY	CAD	Mexican Pesos	AUD	AUD	USD	AUD	Philippines Pesos	INR	RM	JPY
	2010-11	USD	JPY	AUD	Euro	ZAR	Euro	Philippines Pesos	USD	GBP	JPY	CAD	Mexican Pesos	AUD	AUD	USD	AUD	Philippines Pesos	INR	-	-
Exchange Rate as on March 31, 2012		50.88	0.62	52.93	67.90	6.63	67.90	1.19	50.88	81.53	0.62	51.05	4.08	52.93	52.93	50.88	52.93	1.19		16.96	0.62
Exchange Rate as on March 31, 2011		44.60	0.54	46.09	63.32	6.57	63.32	1.03	44.60	71.67	0.54	45.95	3.81	46.09	46.09	44.60	46.09	1.03		-	-

a) P.Y. figures are for the period from August 23, 2010 to March 31, 2011 b) P.Y. figures are for the period from September 27, 2010 to March 31, 2011 c) P.Y. figures are for the period from December 20, 2010 to March 31, 2011 d) P.Y. figures are for the period from March 17, 2011 to March 31, 2011

Notes:

1. Lupin Healthcare Limited total Liablities for this year is ` 26,036/-.
2. Lupin Healthcare Limited Provision for Tax ` 11,439/- for previous period.
3. Lupin Mexico SA de CV total Liablities ` 11,245/- for previous period.
4. Investment (Other than in subsidiaries) by Hormosan Pharma GmbH, Germany to Frankfurter Volksbank eG Bank for this year ` 33,948/- (previous year ` 31,659/-).
5. Investment (Other than in subsidiaries) by Multicare Pharmaceuticals Philippines Inc., Philippines to Philippines Long Distance Telephone Co. for this year ` 18,976/- (previous year ` 16,458/-).
6. The negative figures of Reserves in case of few subsidiaries are net impact of accumulated losses.
7. In compliance with Clause 32 of the Listing Agreement, audited consolidated financial statements form part of this Annual Report.
8. Full accounts of the aforesaid subsidiaries are available for inspection at the Registered Office of the Company and on request will be sent to members free of cost.

55. Related Party Disclosures, as required by Accounting Standard 18 are given below :

A. Relationships:

Category I : Associate of the Company:

Generic Health Pty Ltd., Australia (upto 26th September 2010)

Category II : Key Management Personnel:

Dr. D. B. Gupta	Chairman
Dr. K.K. Sharma	Managing Director
Mrs. M. D. Gupta	Executive Director
Mrs. Vinita Gupta	Group President and CEO of Lupin Pharmaceuticals Inc., USA
Mr. Nilesh Gupta	Executive Director

Category III : Others (Relatives of Key Management Personnel and Entities in which the Key Management Personnel have control or significant influence):

Dr. Anuja Gupta

Mrs. Kavita Gupta Sabharwal

Dr. Richa Gupta

Mrs. Pushpa Khandelwal

Bharat Steel Fabrication and Engineering Works

D. B. Gupta (HUF)

Enzal Chemicals (India) Limited

Lupin Human Welfare and Research Foundation

Lupin International Pvt. Limited

Lupin Investments Pvt. Limited

Lupin Marketing Pvt. Limited

Matashree Gomati Devi Jana Seva Nidhi

Novamed Pharmaceuticals Pvt. Limited

Polynova Industries Limited

Rahas Investments Pvt. Limited

Synchem Chemicals (I) Pvt. Limited

Visiomed (India) Pvt. Limited

Zyma Laboratories Limited

B. Transactions with the related parties:

(` in million unless otherwise stated)

Sr. No.	Transactions	Associates	Key Management Personnel	Others	Total
1.	Sale of Goods	-	-	-	-
		(43.6)	(-)	(-)	(43.6)
2.	Miscellaneous income on account of sale of by-products	-	-	1.7	1.7
		(-)	(-)	(2.5)	(2.5)
3.	Rent Expenses	-	-	95.9	95.9
		(-)	(-)	(102.4)	(102.4)
4.	Business Conducting Expenses	-	-	-	-
		(-)	(-)	(` 1250/-)	(` 1250/-)
5.	Agency Commission Expenses	-	-	-	-
		(4.9)	(-)	(-)	(4.9)
6.	Expenses Recovered / Rent Received	-	-	2.8	2.8
		(-)	(-)	(1.0)	(1.0)
7.	Remuneration Paid	-	355.5	-	355.5
		(-)	(341.0)	(-)	(341.0)
8.	Purchase of Goods/Materials	-	-	29.7	29.7
		(-)	(-)	(44.8)	(44.8)
9.	Donations Paid	-	-	57.2	57.2
		(-)	(-)	(32.4)	(32.4)
10.	Dividend Paid	-	19.0	610.7	629.7
		(-)	(17.1)	(549.5)	(566.6)
11.	Purchase of Undertaking	-	-	-	-
		(-)	(-)	(195.0)	(195.0)
12.	Expenses Reimbursed	-	-	-	-
		(0.7)	(-)	(-)	(0.7)
13.	Investments during the year	-	-	-	-
		(103.9)	-	-	(103.9)
14.	Loans given during the year	-	-	-	-
		(51.8)	-	-	(51.8)
15.	Interest Income Received	-	-	-	-
		(3.0)	-	-	(3.0)
16.	Refund of Deposit for leave and licence arrangement for premises	-	-	-	-
		(-)	(-)	(9.7)	(9.7)
17.	Deposit paid for leave and licence arrangement for premises	-	-	0.2	0.2
		(-)	(-)	(` 31500/-)	(` 31500/-)
18.	Refund of Deposit given for Business Conducting Arrangement	-	-	-	-
		(-)	(-)	(180.0)	(180.0)

Out of the above items transactions in excess of 10% of the total related party transactions are as under:

(` in million unless otherwise stated)

Sr. No.	Transactions	Related party relation	**For the year ended 31.03.2012**	For the year ended 31.03.2011
1.	Sale of Goods			
	Generic Health Pty Ltd., Australia	Associate	-	43.6
2.	Miscellaneous income on account of sale of by-products			
	Enzal Chemicals (India) Ltd.	Others	1.7	2.5
3.	Rent Expenses			
	Lupin Investments Pvt. Ltd.	Others	78.1	82.6
	Bharat Steel Fabrication and Engineering Works	Others	9.7	11.0
4.	Business Conducting Expenses			
	Synchem Chemicals (I) Pvt. Ltd.	Others	-	` 1,250/-
5.	Agency Commission Expenses			
	Generic Health Pty Ltd., Australia	Associate	-	4.9
6.	Expenses Recovered / Rent Received			
	Polynova Industries Ltd.	Others	2.8	-
7.	Remunerations Paid			
	Dr. D. B. Gupta	Key Management Personnel	150.0	113.7
	Dr. K. K. Sharma	Key Management Personnel	83.5	82.5
	Mrs. Vinita Gupta	Key Management Personnel	77.9	96.9
	Mr. Nilesh Gupta	Key Management Personnel	38.5	44.7
8.	Purchase of Goods / Material			
	Enzal Chemicals (India) Ltd.	Others	29.7	44.8
9.	Donations Paid			
	Lupin Human Welfare and Research Foundation	Others	52.1	29.4
10.	Dividend Paid			
	Lupin Marketing Pvt. Ltd.	Others	121.2	109.1
	Rahas Investments Pvt. Ltd.	Others	137.1	123.4
	Visiomed (I) Pvt. Ltd.	Others	130.5	117.5
	Zyma Laboratories Ltd.	Others	164.9	148.4

Sr. No.	Transactions	Related party relation	**For the year ended 31.03.2012**	For the year ended 31.03.2011
11.	Purchase of Undertaking			
	Synchem Chemicals (I) Pvt. Ltd.	Others	-	195.0
12.	Expenses Reimbursed			
	Generic Health Pty Ltd., Australia	Associate	-	0.7
13.	Investment during the year			
	Generic Health Pty Ltd., Australia	Associate	-	103.9
14.	Loan given during the year			
	Generic Health Pty Ltd., Australia	Associate	-	51.8
15.	Interest Income Received			
	Generic Health Pty Ltd., Australia	Associate	-	3.0
16.	Refund of Deposit for leave and licence arrangement for premises			
	Bharat Steel Fabrication and Engineering Works	Others	-	1.9
	Lupin Investments Pvt. Ltd.	Others	-	7.0
17.	Deposit paid for leave and licence arrangement for premises			
	Zyma Laboratories Ltd.	Others	` 88,500/-	` 31,500/-
	Synchem Chemicals (I) Pvt. Ltd.	Others	` 88,500/-	-
18.	Refund of Deposit given for Business Conducting Arrangement			
	Synchem Chemicals (I) Pvt. Ltd.	Others	-	180.0

C. Balances due from / to the related parties:

(` in million unless otherwise stated)

Sr. No.	Transactions	Key Management Personnel	Others	Total
1.	Deposit paid under Leave and Licence arrangement for Office Premises	-	62.2	62.2
		(-)	(62.0)	(62.0)
2.	Creditors	-	0.6	0.6
		(-)	(1.7)	(1.7)
3.	Commission Payable	105.5	-	105.5
		(88.0)	(-)	(88.0)
4.	Expenses receivable	-	` 27,789/-	` 27,789/-
		(-)	(-)	(-)

i) Figures in brackets are for previous year.

ii) Related party relationship is as identified by the Company and relied upon by the Auditors.

56. Hitherto, the cost of inventories of the subsidiaries located in USA and Philippines was computed by first in first out (FIFO) method. From the current year, these subsidiaries have changed the cost formula used in the valuation of inventories from FIFO method to moving weighted average method, so as to fall in line with group accounting policy. There is no material impact on the inventory values and on the profit for the year, consequent to the aforesaid change.

57. The Consolidated Financial Statement includes results of operations of two new subsidaries acquired / incorporated during the year and the results of operations of the entire twelve months of three subsidiaries incorporated during the previous year and the result of one company which has become a subsidiary with effect from September 27, 2010 (earlier being an associate). Accordingly, the current year figures are not strictly comparable with those of the previous year.

58. The Revised Schedule VI has become effective from 1 April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Note 1 to 58

For and on behalf of **Board of Directors of Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Vinita Gupta
Director

Nilesh Gupta
Executive Director

Dr. Vijay Kelkar
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

D. K. Contractor
Director

Place : Mumbai
Dated : May 10, 2012

R. V. Satam
Company Secretary

AUDITORS' REPORT

TO THE MEMBERS OF LUPIN LIMITED

1. We have audited the attached Balance Sheet of Lupin Limited ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

      (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.117366W)

K. A. Katki
Partner
(Membership No. 038568)

Place : Mumbai
Date : May 10, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business / activities / result, clauses (x), (xii), (xiii), (xiv), (xix), (xx) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956.

(viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Service Tax and Excise Duty which have not been deposited as on March 31, 2012 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (` in million)
Central Excise Act, 1944	Excise duty	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	1998-2000 2002-2007 2004-2006 2005-2006 2006-2007 2007-2008	43.0
		Commissioner of Central Excise (Appeals)	2002-2007 2003-2004 2003-2006 2007-2008 2008-2009	6.2
	Service tax credit matters	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2004-2005 2004-2006 2005-2006 2005-2008 2006-2007 2006-2008 2007-2008	212.0
		Commissioner of Central Excise (Appeals)	2007-2008	7.2
Central and various States' Sales Tax Acts	Sales tax	Sales Tax Tribunal	2004-2005	0.3
		Commissioner of Sales Tax (Appeals)	1992-1993 1993-1994 2004-2005 2005-2006	1.6
		Additional Commissioner	2002-2003 2005-2009 2008-2009	13.0
		Assistant Commissioner of Sales Tax (Investigations)	2006-2011	82.4
		Deputy Commissioner	2000-2001	0.3
		Joint Commissioner Corporate Circle	2002-2003 2004-2005 2007-2008 2008-2009 2010-2011 2011-2012	4.0
		Joint Commissioner of Commercial Taxes (Appeals)	2007-2008	0.4
		Deputy Commissioner Corporate Section	2006-2007 2007-2008	4.8

There were no unpaid disputed dues in respect of Income-tax, Wealth tax, Customs duty and Cess during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued debentures during the year.

(xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xv) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117366W)

K. A. Katki
Partner
(Membership No. 038568)

Place : Mumbai
Date : May 10, 2012

BALANCE SHEET

As at March 31, 2012

	Note	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	893.3	892.4
Reserves and Surplus	3	36,450.8	30,634.2
		37,344.1	31,526.6
Non-Current Liabilities			
Long-Term Borrowings	4	1,349.2	2,219.7
Deferred Tax Liabilities (net)	5	1,905.0	1,785.7
Other Long-Term Liabilities	6	376.1	357.9
Long-Term Provisions	7	256.1	279.3
		3,886.4	4,642.6
Current Liabilities			
Short-Term Borrowings	8	8,577.3	7,574.9
Trade Payables	9	7,154.2	5,876.2
Other Current Liabilities	10	2,502.8	783.1
Short-Term Provisions	11	2,122.3	1,714.3
		20,356.6	15,948.5
	TOTAL	**61,587.1**	**52,117.7**
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		16,972.3	13,395.9
Intangible Assets		102.5	150.4
Capital Work-in-Progress		3,573.3	4,420.9
		20,648.1	17,967.2
Non-Current Investments	13	6,872.9	6,808.8
Long-Term Loans and Advances	14	3,805.1	3,070.5
Other Non-Current Assets	15	-	45.2
		31,326.1	27,891.7
Current Assets			
Inventories	16	11,235.6	8,411.1
Trade Receivables	17	14,908.0	12,342.8
Cash and Cash Equivalents and Other Bank Balances	18	192.0	374.6
Short-Term Loans and Advances	19	2,714.9	1,969.7
Other Current Assets	20	1,210.5	1,127.8
		30,261.0	24,226.0
	TOTAL	**61,587.1**	**52,117.7**

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. Katki
Partner

Place : Mumbai
Dated : May 10, 2012

For and on behalf of **Board of Directors of Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Vinita Gupta
Director

Nilesh Gupta
Executive Director

Dr. Vijay Kelkar
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

D. K. Contractor
Director

R. V. Satam
Company Secretary

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2012

	Note	**For the Current Year Ended 31.03.2012 ` in million**	For the Previous Year Ended 31.03.2011 ` in million
INCOME:			
Revenue from Operations (Gross)	21	54,268.5	45,302.3
Less : Excise Duty		420.2	353.5
Revenue from Operations (Net)		53,848.3	44,948.8
Other Income	22	34.9	165.8
Total Revenue		**53,883.2**	**45,114.6**
EXPENSES:			
Cost of Raw and Packing Materials Consumed	23	15,921.7	13,824.2
Purchases of Stock-in-Trade	46 (A)	5,992.7	3,841.9
Changes in Inventories	24	(1,325.3)	(5.1)
of Finished Goods, Work-in-Process and Stock-in-trade			
Employee Benefits Expense	25	5,812.2	4,912.3
Finance Costs	26	286.8	275.7
Depreciation and Amortisation Expense	12	1,319.6	1,042.8
Other Expenses	27	15,828.4	12,786.0
Total Expenses		**43,836.1**	**36,677.8**
Profit before Tax		**10,047.1**	**8,436.8**
Tax Expense:			
- Current tax expense for Current year		2,018.6	1,685.5
Less : MAT Credit Entitlement		(373.5)	(1,473.8)
- Current tax expense for prior years		-	(10.1)
Net Current tax expense		1,645.1	201.6
- Deferred tax (Net)		358.3	135.4
Profit after Tax for the year		**8,043.7**	**8,099.8**
Earnings per equity share (in `):	37		
Basic		18.02	18.18
Diluted		17.94	18.07
Face Value of Equity Share (in `)		2.00	2.00
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. Katki
Partner

For and on behalf of **Board of Directors of Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Vinita Gupta
Director

Nilesh Gupta
Executive Director

Dr. Vijay Kelkar
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

D. K. Contractor
Director

Place : Mumbai
Dated : May 10, 2012

R. V. Satam
Company Secretary

CASH FLOW STATEMENT

For the year ended March 31, 2012

	For the Current Year ended 31.03.2012	For the Previous Year ended 31.03.2011
	` in million	` in million
A. Cash Flow from Operating Activities		
Profit before Tax	10,047.1	8,436.8
Adjustments for:		
Depreciation and Amortisation Expense	1,319.6	1,042.8
Loss on sale / discard of Fixed Assets (net)	174.4	92.6
Finance Costs	286.8	275.7
Interest on Fixed Deposits with Banks	(23.4)	(1.7)
Dividend on Non-Current Investments	(0.9)	(0.1)
Provision for Doubtful Trade Receivables	2.0	-
Expenses on Stock Options / Stock Appreciation Rights	15.5	7.1
Unrealised Exchange gain on revaluation (net)	(99.6)	(5.4)
Operating Profit before Working Capital Changes	11,721.5	9,847.8
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,824.5)	(1,049.1)
Trade Receivables	(2,376.9)	(3,172.3)
Long-term and Short-term Loans and Advances and Other Assets	(1,411.4)	(366.8)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables, Non-Current and Current Liabilities	1,408.3	852.8
Long-term and Short-term Provisions	84.3	50.5
Cash Generated from Operations	6,601.3	6,162.9
Net Income tax paid	(1,823.0)	(1,573.1)
Net Cash Flow from Operating Activities	**4,778.3**	**4,589.8**
B. Cash Flow from Investing Activities		
Capital expenditure on fixed assets, including capital advances	(4,016.6)	(3,710.4)
Proceeds from sale of fixed assets	6.7	7.5
Purchase of Non-Current Investment in subsidiaries	-	(34.8)
Purchase of Non-Current Investments-Other	-	(6.2)
Purchase of Current Investments	-	(570.0)
Proceeds from sale of Current Investments	-	570.0
Bank balances not considered as Cash and Cash equivalents (net)	6.3	(7.9)
Dividend on Non-Current Investments	0.9	0.1
Interest on Fixed Deposits with Banks	23.4	1.7
Net Cash used in Investing Activities	**(3,979.3)**	**(3,750.0)**

	For the Current Year ended 31.03.2012 ` in million	For the Previous Year ended 31.03.2011 ` in million
C. Cash Flow from Financing Activities		
Proceeds from Long-Term / Other Short-Term Borrowings (net)	840.1	681.7
Proceeds from issue of equity shares (ESOPs)	0.9	3.0
Securities Premium Received (ESOPs)	50.7	134.5
Finance Costs	(312.8)	(263.1)
Dividend paid	(1,336.9)	(1,200.5)
Tax on Dividend	(217.2)	(199.8)
Net Cash used in Financing Activities	**(975.2)**	**(844.2)**
Net decrease in Cash and Cash equivalents	**(176.3)**	**(4.4)**
Cash and Cash equivalents as at the beginning of the year	345.1	352.5
Cash and Cash equivalents acquired on amalgamation of subsidiaries	-	(3.0)
(Refer note 45)		
Cash and Cash equivalents as at the end of the year	**168.8**	**345.1**
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and cash equivalents as per Balance Sheet (Refer note 18)	192.0	374.6
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer note 18)	23.2	29.5
Cash and cash equivalents as restated as at the year end (Refer note 18)	**168.8**	**345.1**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3) "Cash Flow Statement".
2. The above Cash Flow Statement excludes assets (other than Cash and Cash equivalents) and liabilities acquired on amalgamation. (Refer note 45)
3. Purchase of Non Current Investment in subsidiaries excludes investments of ` 61.7 million (previous year ` nil) made in exchange of transfer of land. (Refer note 13)
4. Cash comprises cash on hand and Current Accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
5. Previous year figures have been regrouped wherever necessary.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. A. Katki
Partner

Place : Mumbai
Dated : May 10, 2012

For and on behalf of **Board of Directors of Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Vinita Gupta
Director

Nilesh Gupta
Executive Director

Dr. Vijay Kelkar
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

D. K. Contractor
Director

R. V. Satam
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 A - OVERVIEW

Lupin Limited ('the Company') was incorporated in 1983 as Lupin Chemicals Private Limited. Lupin Laboratories Limited which was incorporated in 1972 was amalgamated with the Company w.e.f. 01.04.2000, pursuant to an Order passed by the Mumbai High Court. The Company is an innovation led transnational pharmaceutical Company producing a wide range of quality generic and branded formulations and bulk drugs. The Company along with its subsidiaries has manufacturing locations spread across India and Japan with trading and other incidental and related activities extending to world markets.

1 B - SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting and preparation of Financial Statements:
The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates:
The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Tangible Fixed Assets:
Fixed Assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

d) Intangible Assets:
Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

e) Foreign Currency Transactions / Translation:

i) Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or at rates that closely approximate the rate at the date of the transaction.

ii) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

iii) Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

iv) In respect of the foreign offices / branches, which are integral foreign operations, all revenues and expenses during the year are reported at average rates. Outstanding balances in respect of monetary assets and liabilities are restated at the year end exchange rates. Outstanding balances in respect of non monetary assets and liabilities are stated at the rates prevailing on the date of the transaction. Net gain / loss on foreign currency translation is recognised in the Statement of Profit and Loss.

f) Hedge Accounting:
The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward / option contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30 (AS-30) “Financial Instruments: Recognition and Measurement”. These forward/ option contracts are stated at fair value at each reporting date. Changes in the fair value of these forward / option contracts that are designated and effective as hedges of future cash flows are recognised directly in “Cash Flow Hedge reserve account” under Reserves and Surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the “Cash Flow Hedge reserve account” are reclassified to the Statement of Profit and Loss in the same period during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in “Cash Flow Hedge reserve account” is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in “Cash Flow Hedge reserve account” is immediately transferred to the Statement of Profit and Loss.

g) Derivative Contracts:
The Company enters into derivative contracts in the nature of currency options and forward contracts with an intention to hedge its existing assets and liabilities and highly probable forecast transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions / Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market on a portfolio basis and losses, if any, are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

h) Investments:
Long-term investments are carried at cost, less provision for diminution, other than temporary, in the value of such investments. Cost of investments includes expenses directly incurred on acquisition of investments. Current investments are carried at lower of cost and fair value.

i) Inventories:
Inventories of all procured materials and Stock-in-Trade are valued at the lower of cost (on moving weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-process and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

j) Revenue recognition:
Revenue from sale of goods is recognised net of returns, product expiry claims and trade discounts, on transfer of significant risks and rewards in respect of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax. Sales are also netted off for non - saleable return of goods from the customers, estimated on the basis of historical data of such returns.

Sale of Technology / know-how (rights, licenses, dossiers and other intangibles) is recognised when performance obligation is completed and risk and reward of ownership of the product is transferred to the customer.

Revenue (including in respect of insurance or other claims etc.) is recognised when it is reasonable to expect that the ultimate collection will be made.

Interest income is accounted on accrual basis. Dividend from investment is recognised as revenue when right to receive the payments is established.

k) Depreciation and Amortisation:
Depreciation on fixed assets is provided on straight line basis in the manner and at the rates prescribed in Schedule XIV to the Companies Act, 1956, except in respect of the following category of assets, in whose case life of assets is assessed as under

Assets	**Estimated useful life**
Captive Power Plant at Tarapur	15 years
Certain assets provided to employees	3 years
Leasehold Land	Over the period of lease
Intangible Assets (Computer Software)	3 to 6 years
Intangible Assets (Goodwill - Acquired)	5 years

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern. Assets costing ` 5000/- or less are depreciated at 100% rate on prorata basis in the year of purchase.

l) Employee Benefits:
Employee benefits include provident fund, gratuity fund, compensated absences and post employment and other long-term benefits.

a) Post Employment Benefits and Other Long-Term Benefits:

i) Defined Contribution Plan:
The Company's contribution towards provident fund and superannuation fund for certain eligible employees are considered to be defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis

ii) Defined Benefit and Other Long-Term Benefit Plans:
Company's liabilities towards defined benefit plans and other long-term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised immediately to the extent benefits are vested, otherwise it is amortised on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Provident Fund for certain employees is administered through the "Lupin Limited Employees Provident Fund Trust". Periodic contributions to the Fund are charged to the Statement of Profit and Loss. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government.

b) Short-Term Employee Benefits:
Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. Short-term compensated absences are provided for based on estimates in accordance with Company rules.

m) Taxes on Income:
Income taxes are accounted for in accordance with Accounting Standard 22 (AS 22) "Accounting for Taxes on Income". Tax expense comprises both Current Tax and Deferred Tax. Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

n) Operating Leases:
Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised in the Statement of Profit and Loss on a straight line basis in accordance with the respective lease agreements.

o) Provisions, Contingent Liabilities and Contingent Assets:
A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.

p) Borrowing Costs:
Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

q) Stock based Compensation:

i) Employee Stock Option Plans ("ESOPs"):
The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. the difference between the market price of the Company's shares on the date of the grant of options and the exercise price to be paid by the option holders. The compensation cost, if any, is amortised uniformly over the vesting period of the options.

ii) Stock Appreciation Rights (“SARs”):
The compensation cost of SARs granted to employees is measured by the intrinsic value method, i.e. the excess of the market price of the Company’s shares as at the period end and the acquisition price as on the date of grant. The compensation cost is amortised uniformly over the vesting period of the SARs.

r) Government Grants, subsidies and incentives:
Government grants and subsidies are accounted when there is reasonable assurance that the Company will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Revenue grants are recognised in the Statement of Profit and Loss.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

s) Research and Development:
Revenue expenditure incurred on research and development is charged to the respective heads in the Statement of Profit and Loss in the year it is incurred, unless a product’s technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

t) Impairment of Assets:
The carrying values of assets / cash generating units at each Balance Sheet date, are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2 - SHARE CAPITAL

	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	` in million	No. of Shares	` in million
a) Share Capital				
Authorised				
Equity Shares of ` 2 each	500,000,000	1,000.0	500,000,000	1,000.0
Issued, Subscribed and Paid up				
Equity Shares of ` 2 each fully paid	446,641,681	893.3	446,201,189	892.4
TOTAL	**446,641,681**	**893.3**	**446,201,189**	**892.4**

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	` in million	No. of Shares	` in million
Equity Shares outstanding at the beginning of the year	446,201,189	892.4	444,719,165	889.4
Equity Shares issued during the year in the form of ESOPs	440,492	0.9	1,482,024	3.0
Equity Shares outstanding at the end of the year	**446,641,681**	**893.3**	**446,201,189**	**892.4**

c) Rights attached to Equity Shares

The Company has only one class of equity shares with voting rights having a par value of ` 2 per share. The Company declares and pays dividends in Indian Rupees.The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recognised as distributions to equity shareholders is ` 3.2 (31 March 2011: ` 3.0)

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shares held by each shareholder holding more than 5% equity shares

Name of Shareholder	As at 31.03.2012		As at 31.03.2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Zyma Laboratories Ltd	54,960,490	12.31	54,960,490	12.32
Rahas Investments Pvt Ltd	45,699,510	10.23	45,699,510	10.24
Visiomed (India) Pvt Ltd	43,514,660	9.74	43,514,660	9.75
Lupin Marketing Pvt Ltd	40,401,000	9.05	40,401,000	9.05

e) Shares reserved for issuance under Stock Option plans of the Company

Particulars	As at 31.03.2012	As at 31.03.2011
	No. of Shares	No. of Shares
Lupin Employees Stock Options Plan 2003	1,210,403	1,313,470
Lupin Employees Stock Options Plan 2005	1,306,290	1,585,000
Lupin Employees Stock Options Plan 2011	3,600,000	-
Lupin Subsidiary Companies Employees Stock Options Plan 2005	500,741	559,456
Lupin Subsidiary Companies Employees Stock Options Plan 2011	900,000	-

f) Aggregate number of shares allotted as fully paid up during last five years immediately preceding balance sheet date pursuant to contracts without payment received in cash and by way of fully paid up bonus shares

Particulars	As at 31.03.2012	As at 31.03.2011
	Aggregate No. of Shares	Aggregate No. of Shares
Equity Shares :		
Fully paid up by way of bonus shares (issued during 2006-07)	-	200,762,470

g) Aggregate number of shares issued during last five years pursuant to Stock Option plans of the Company

Particulars	As at 31.03.2012	As at 31.03.2011
	Aggregate No. of Shares	Aggregate No. of Shares
Equity Shares :		
Issued under various Stock Option plans of the Company	4,953,986	4,513,494

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
3 - RESERVES AND SURPLUS		
Capital Reserve		
- Investment Subsidies from Central Government		
Balance as per last Balance Sheet	1.0	1.0
- Investment Subsidies from State Government		
Balance as per last Balance Sheet	8.2	8.2
- On restructuring of capital of the Company under the Scheme of Amalgamation		
Balance as per last Balance Sheet	254.7	254.7
	263.9	263.9
Capital Redemption Reserve		
Balance as per last Balance Sheet	126.5	126.5
	126.5	126.5
Securities Premium Account		
Balance as per last Balance Sheet	5,198.0	5,063.5
Add : Additions during the year*	50.7	134.5
	5,248.7	5,198.0
Employee Stock Options Outstanding (Refer note 38)		
- Employees Stock Options Outstanding		
Balance as per last Balance Sheet	20.3	9.0
Add: Options granted during the year	11.2	11.3
Balance as at the year end (A)	31.5	20.3
- Deferred Employees Stock Options Cost		
Balance as per last Balance Sheet	7.8	3.6
Add: Options granted during the year	11.2	11.3
Less: Amortisation during the year	12.0	7.1
Balance as at the year end (B)	7.0	7.8
(A-B)	24.5	12.5
Employee Stock Appreciation Rights Outstanding (Refer note 39)		
Balance as per last Balance Sheet	-	-
Add: Additions during the year	3.5	-
Balance as at the year end	3.5	-
General Reserve		
Balance as per last Balance Sheet	10,015.4	8,515.4
Add: Transferred from Surplus in the Statement of Profit and Loss	1,500.0	1,500.0
	11,515.4	10,015.4
Amalgamation Reserve		
Balance as per last Balance Sheet	317.9	317.9
	317.9	317.9
Cash Flow Hedge Reserve (Refer note 42)		
Balance as per last Balance Sheet	52.1	178.4
Add: (Debited) / Credited during the year (net) (net of deferred tax of ` 239.0 million, previous year ` 20.2 million)	(631.9)	(126.3)
	(579.8)	52.1
Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	14,647.9	9,945.1
Add : Profit after Tax for the year	8,043.7	8,099.8
Less: Transfer to General Reserve	1,500.0	1,500.0
Add : Adjustment on account of Amalgamation of Subsidiaries	-	(338.9)
Less: Proposed Dividends on Equity Shares	1,429.2	1,338.6
Less: Dividend on Equity Shares issued after the previous year end	0.3	2.0
Less: Corporate Tax on Dividend	231.9	217.5
Balance as at the year end	19,530.2	14,647.9
TOTAL	**36,450.8**	**30,634.2**

* Represents amount received on allotment of 440,492 (previous year 1,482,024) Equity Shares of ` 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 38 (a)].

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
4 - LONG-TERM BORROWINGS		
Unsecured		
Foreign Currency Term Loans from Banks	1,017.5	1,783.8
Deferred Sales Tax Loan from Government of Maharashtra	53.0	57.8
Term Loans from Council for Scientific and Industrial Research (CSIR)	216.5	284.8
Term Loans from Department of Science and Technology (DST)	62.2	93.3
TOTAL	**1,349.2**	**2,219.7**

a) Foreign Currency Term Loans from Banks consist of two loans of USD 20 million (` 1,017.5 million) each. One of the loans carries interest @ LIBOR plus 1.55% and is repayable after 3 years in installments of USD 10 million (` 508.8 million) each from the date of their origination on 10th December 2012 and 7th January 2013. Second loan bears interest @ LIBOR plus 1.05% and is repayable after 3 years in installments of USD 10 million (` 508.8 million) each from the date of their origination on 3rd June 2013 and 29th July 2013.

b) Deferred Sales Tax Loan is interest free and payable in 5 equal annual installments after expiry of initial 10 years moratorium period from each such year of deferral period from 1998-99 to 2009-10.

c) Term Loans from CSIR carry interest of 3% p.a. and is payable in 8 annual installments of ` 30.9 million each alongwith interest.

d) Term Loans from DST carry interest of 3% p.a. and is payable in 7 annual installments of ` 10.4 million each alongwith interest.

e) The Company has not defaulted on repayment of loans and interest during the year.

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
5 - DEFERRED TAX LIABILITIES (NET)		
Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	2,378.3	2,000.5
Cash Flow Hedge Reserve	-	25.0
	2,378.3	2,025.5
Less: Tax effect of items constituting Deferred Tax Assets		
Provision for doubtful trade receivables	23.4	22.7
VRS Compensation	63.4	74.9
Provision for Employee Benefits	99.4	86.7
Cash Flow Hedge Reserve	214.0	-
Others	73.1	55.5
	473.3	239.8
TOTAL	**1,905.0**	**1,785.7**
6 - OTHER LONG-TERM LIABILITIES		
Trade Payables	114.6	130.5
Mark to Market Derivative Liabilities	238.2	172.1
Interest Accrued but not due on Borrowings	23.3	55.3
TOTAL	**376.1**	**357.9**
7 - LONG-TERM PROVISIONS		
Provisions for Employee Benefits		
Compensated Absences	231.5	279.3
Provident Fund	24.6	-
TOTAL	**256.1**	**279.3**

	As at 31.03.2012	As at 31.03.2011
	` in million	` in million
8 - SHORT-TERM BORROWINGS		
From Banks		
Secured		
Working Capital Loans from Consortium of Banks	5,808.2	6,374.6
	5,808.2	6,374.6
Unsecured		
Working Capital Loans	2,769.1	1,200.3
	2,769.1	1,200.3
TOTAL	**8,577.3**	**7,574.9**

a) Working Capital Loans from Consortium of Banks comprise of Cash Credit, Short-Term Loans, Packing Credit, Post Shipment Credit, Bills Discounted and Overseas Import Credit and are secured by hypothecation of inventories and trade receivables, and all other moveable assets, including current assets at godowns, depots, in course of transit or on high seas and a second charge on immovable properties and moveable assets of the Company both present and future.

b) Secured Working Capital Loans from Banks include foreign currency loans of ` 5,536.3 million (previous year ` 6,039.2 million).

c) Unsecured Working Capital Loans from Banks comprise of Cash Credit and Short-Term Loans.

d) Unsecured Working Capital Loans from Banks include foreign currency loans of ` 2,716.9 million (previous year ` 1,161.8 million).

e) Working Capital Loans from Banks in foreign currency carries interest rate in the range of 1.5% to 3% p.a. and those in Indian Rupees carries interest rate in the range of 11% to 13% p.a.

f) The Company has not defaulted on repayment of loans and interest during the year.

	As at 31.03.2012	As at 31.03.2011
	` in million	` in million
9 - TRADE PAYABLES		
Acceptances	991.4	814.0
Other than Acceptances		
Total outstanding dues of Micro Enterprises and Small Enterprises	219.4	187.2
Total outstanding dues of Trade Payables other than Micro Enterprises and Small Enterprises	5,943.4	4,875.0
TOTAL	**7,154.2**	**5,876.2**
10 - OTHER CURRENT LIABILITIES		
Current Maturities of Long-Term Borrowings (Refer note 4)		
Foreign Currency Term Loans from Banks	1,017.5	-
Deferred Sales Tax Loan from Government of Maharashtra	4.9	3.2
Term Loans from CSIR	30.9	24.7
Term Loans from DST	10.4	10.4
Interest Accrued but not due on Borrowings	15.9	9.7
Unpaid Dividend*	15.3	13.3
Unpaid Matured Deposits*	0.7	1.5
Unpaid Interest Warrants*	0.3	0.6
Mark to Market Derivative Liabilities	620.1	150.8
Payables on Purchase of Fixed Assets	445.0	357.3
Other Payables	341.8	211.6
(Includes Statutory liabilities, Deposits received, Advance from customers, etc.)		
TOTAL	**2,502.8**	**783.1**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

	As at 31.03.2012	As at 31.03.2011
	` in million	` in million
11 - SHORT-TERM PROVISIONS		
Provisions for Employee Benefits		
Gratuity	45.0	19.2
Compensated Absences (Refer note 7)	97.8	11.0
Provident Fund	-	5.0
Other Provisions		
For Taxation [net of Advance Tax of ` 1,736.9 million (previous year ` 1,721.3 million)]	318.4	123.3
For Proposed Dividend on Equity Shares	1,429.2	1,338.6
For Corporate Tax on Dividend	231.9	217.2
TOTAL	**2,122.3**	**1,714.3**

12 - FIXED ASSETS

(` in million)

Particulars	Gross Block						Depreciation And Amortisation					Net Block	
	As at 01.04.2011	Additions on Amalgamation*	Effect of Foreign Currency exchange differences	Additions	Deductions	**As at 31.03.2012**	As at 01.04.2011	Additions on Amalgamation*	For the Year	Deductions	**As at 31.03.2012**	**As at 31.03.2012**	As at 01.04.2011
Tangible Assets													
Freehold Land	84.1	-	-	-	-	84.1	-	-	-	-	-	84.1	84.1
Leasehold Land	540.3	-	-	1.0	62.9	478.4	34.6	-	10.6	1.2	44.0	434.4	505.7
Buildings	4,222.9	-	50.6	1,276.8	0.3	5,550.0	797.0	-	201.8	0.2	998.6	4,551.4	3,425.9
Plant, Machinery and Equipments	12,463.0	-	182.5	3,235.3	248.9	15,631.9	3,846.1	-	926.0	120.5	4,651.6	10,980.3	8,616.9
Furniture and Fixtures	429.1	-	9.3	119.2	7.4	550.2	128.7	-	42.5	4.2	167.0	383.2	300.4
Vehicles	42.5	-	-	5.4	4.9	43.0	13.4	-	4.2	2.6	15.0	28.0	29.1
Office Equipment	758.6	-	8.8	156.8	10.2	914.0	324.8	-	86.6	8.3	403.1	510.9	433.8
	18,540.5	**-**	**251.2**	**4,794.5**	**334.6**	**23,251.6**	**5,144.6**	**-**	**1,271.7**	**137.0**	**6,279.3**	**16,972.3**	**13,395.9**
Intangible Assets - Acquired													
Goodwill	218.1	-	-	-	-	218.1	87.2	-	43.6	-	130.8	87.3	130.9
Computer Software	84.8	-	-	-	-	84.8	65.3	-	4.3	-	69.6	15.2	19.5
	302.9	**-**	**-**	**-**	**-**	**302.9**	**152.5**	**-**	**47.9**	**-**	**200.4**	**102.5**	**150.4**
TOTAL	**18,843.4**	**-**	**251.2**	**4,794.5**	**334.6**	**23,554.5**	**5,297.1**	**-**	**1,319.6**	**137.0**	**6,479.7**	**17,074.8**	**13,546.3**
Previous Year	16,165.2	1,022.5	(59.5)	2,012.7	297.5	18,843.4	4,251.3	245.8	1,042.8	242.8	5,297.1	13,546.3	
Capital Work-in-Progress (Refer note 31)												3,573.3	4,420.9
TOTAL												**20,648.1**	**17,967.2**

1. Cost of Buildings includes cost of shares in co-operative societies of ` 1,000/- (previous year `1,000/-).
2. Additions to Fixed Assets include items of fixed assets aggregating ` 868.1 million (previous year ` 612.9 million) located at Research and Development Centres of the Company.
3. * Includes additions of ` nil ( previous year ` 196.0 million) and accumulated depreciation of ` nil (previous year ` 31.0 million) for the year 2009-10. (Refer note 45)

	Number	Face Value	As at 31.03.2012		As at 31.03.2011
			` in million	` in million	` in million
13 - NON-CURRENT INVESTMENTS					
Trade Investments - Unquoted					
a) In Subsidiary Companies					
In Equity Instrument:					
- Lupin Holdings B. V., Netherlands	105,829	Euro	6,720.3		6,720.3
	(105,829)	1000			
- Lupin Pharmaceuticals Inc., USA	300,000	USD	13.8		13.8
	(300,000)	1			
- Lupin Australia Pty Ltd., Australia	500,000	AUD	16.9		16.9
	(500,000)	1			
- Lupin Healthcare Ltd., India	2,616,677	`	81.7		20.0
(Including 6 shares held by nominees)	(2,000,000)	10			
- Lupin Europe Ltd., UK	251,000	GBP	20.0		20.0
	(251,000)	1			
				6,852.7	6,791.0
b) Others					
In Equity Instrument:					
- Biotech Consortium India Ltd., India	50,000	`	0.5		0.5
	(50,000)	10			
- Enviro Infrastructure Co. Ltd., India	100,000	`	1.0		1.0
	(100,000)	10			
- Bharuch Enviro Infrastructure Ltd., India	4,585	`			
(31.03.2012- ` 45,850/-, previous year ` 45,850/-)	(4,585)	10			
- Narmada Clean Tech Ltd., India	1,145,190	`	11.5		11.5
(formerly known as Bharuch Eco-Aqua	(1,145,190)	10			
Infrastructure Ltd.)					
- Tarapur Environment Protection Society, India	72,358	`	7.2		4.8
	(48,154)	100			
(Figures in brackets are for previous year)					
				20.2	17.8
c) In Government Securities					
National Saving Certificates					
(31.03.2012 ` 16,000/-, previous year ` 16,000/-)					
[Deposited with Government Authority 31.03.2012					
` 16,000/-, previous year ` 16,000/-]					
		TOTAL		**6,872.9**	**6,808.8**

1. All investments in shares are fully paid up.
2. All investments are stated at cost.
3. All subsidiaries are wholly owned by the Company.
4. Investment in equity instrument of Lupin Healthcare Ltd. ` 61.7 million made in exchange of transfer of land.
5. Aggregate amount of unquoted investments 6,872.9 6,808.8

	As at 31.03.2012 ` in million	As at 31.03.2011 ` in million
14 - LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Capital Advances	520.4	408.1
Security Deposits	186.4	156.3
MAT Credit Entitlement	2,874.0	2,502.3
Loan to Employees Benefit Trust (Refer note 39)	220.1	-
Loan to Employees	4.2	3.8
TOTAL	**3,805.1**	**3,070.5**
15 - OTHER NON-CURRENT ASSETS		
Mark to Market Derivative Assets	-	45.2
TOTAL	**-**	**45.2**
16 - INVENTORIES		
Raw Materials	4,171.6	3,021.9
Packing Materials	666.3	515.0
Work-in-Process	2,308.3	1,794.2
Finished Goods	2,296.8	1,769.6
Stock-in-Trade	1,038.0	751.9
Consumable Stores and Spares	430.2	260.0
Goods-in-Transit		
- Raw Materials	312.4	271.7
- Packing Materials	1.4	10.6
- Stock-in-Trade	2.1	4.2
- Consumable Stores and Spares	8.5	12.0
[Refer note 1B (i), 46 (C) & (D)] **TOTAL**	**11,235.6**	**8,411.1**
17 - TRADE RECEIVABLES		
Unsecured		
Trade receivables outstanding for a period exceeding six months		
- Considered Good	100.1	41.3
- Considered Doubtful	72.0	70.0
	172.1	111.3
Other Trade Receivables Considered Good	14,807.9	12,301.5
	14,980.0	12,412.8
Less : Provision for Doubtful Trade Receivables	72.0	70.0
TOTAL	**14,908.0**	**12,342.8**

Trade receivables include debts due from subsidiary companies ` 10,359.6 million (previous year ` 7,440.9 million)

	As at 31.03.2012	As at 31.03.2011
	` in million	` in million
18 - CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES		
Cash and Cash Equivalents as defined in AS 3 - Cash Flow Statement		
Bank Balances		
- In Current Account	104.1	246.7
- In EEFC Account	0.3	0.3
Cheques on hand	61.4	93.7
Cash on hand	3.0	4.4
	168.8	345.1
Other Bank Balances		
Earmarked Balances with Banks		
- Unpaid dividend accounts	15.3	13.3
- Unpaid matured deposits	0.2	0.7
- Unpaid interest warrants	0.3	0.6
- Margin Deposits with Banks	2.6	11.3
- Deposits against borrowings, guarantees and other commitments	4.5	3.6
Bank Deposits maturing more than 3 months but less than 12 months	0.3	-
	23.2	29.5
TOTAL	**192.0**	**374.6**

Other Bank Balances - Earmarked Balances with Banks include deposits ` 4.2 million (previous year ` 3.1 million) and margin monies amounting to ` 2.6 million (previous year ` 5.6 million) which have an original maturity of more than 12 months.

	As at 31.03.2012	As at 31.03.2011
	` in million	` in million
19 - SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good unless otherwise stated		
Loans and Advances to Related Parties [Refer note 47 (C)]	65.2	64.0
Security Deposits	91.8	59.3
Advance payment of Income Tax [net of Provision of ` 1,684.0 million (previous year ` 1,151.1 million)]	0.7	36.3
Balances with Government Authorities (VAT/Cenvat/Service tax credit receivable)	1,534.2	1,193.3
Advance to Vendors	840.4	439.1
Other Loans and Advances (includes Loans and Advances to employees, Prepaid expenses, etc.)	182.6	177.7
TOTAL	**2,714.9**	**1,969.7**
20 - OTHER CURRENT ASSETS		
Mark to Market Derivative Assets	33.7	328.7
Export Benefits Receivables	970.6	589.3
Other Current Assets (includes Interest receivables, receivable on sale of fixed assets, etc.)	206.2	209.8
TOTAL	**1,210.5**	**1,127.8**

	For the Current Year ended 31.03.2012	For the Previous Year ended 31.03.2011
	` in million	` in million
21 - REVENUE FROM OPERATIONS		
Sale of Products (Gross)		
Sale of Goods [Refer note 46 (B)]	52,162.8	44,036.5
Sale of IP Rights	1,416.3	579.5
	53,579.1	44,616.0
Other Operating Revenue		
Export Benefits and other Incentives	526.1	402.0
Insurance Claims	43.4	30.0
Compensation and Settlement Income	77.2	213.3
Miscellaneous Income	42.7	41.0
	689.4	686.3
TOTAL	**54,268.5**	**45,302.3**
22 - OTHER INCOME		
Dividend on Non - Current Investments	0.9	0.1
Interest on Fixed Deposits with Banks	23.4	1.7
[Tax Deducted at Source ` 2.2 million (previous year ` 0.2 million)]		
Other Interest (including interest on income tax refunds)	10.6	27.8
[Tax Deducted at Source ` 0.4 million (previous year ` 2.3 million)]		
Net gain on Foreign Currency Transactions	-	136.2
TOTAL	**34.9**	**165.8**
23 - COST OF RAW AND PACKING MATERIALS CONSUMED		
Raw Materials Consumed [Refer note 33 (a) and (b) (i)]	13,953.0	12,268.4
Packing Materials Consumed	1,968.7	1,555.8
TOTAL	**15,921.7**	**13,824.2**
24 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE		
Opening Stock :		
Finished Goods	1,769.6	1,685.3
Stock-in-Trade	756.1	807.6
Work-in-Process	1,794.2	1,728.8
	4,319.9	4,221.7
Acquired on amalgamation		
Finished Goods	-	51.7
Work-in-Process	-	41.4
	-	93.1
Less :		
Closing Stock :		
Finished Goods	2,296.8	1,769.6
Stock-in-Trade	1,040.1	756.1
Work-in-Process	2,308.3	1,794.2
	5,645.2	4,319.9
Changes In Inventories		
Finished Goods	(527.2)	(32.6)
Stock-in-Trade	(284.0)	51.5
Work-in-Process	(514.1)	(24.0)
TOTAL	**(1,325.3)**	**(5.1)**

	For the Current Year ended 31.03.2012 ` in million	For the Previous Year ended 31.03.2011 ` in million
25 - EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	4,880.9	4,173.0
Contribution to Provident and Other Funds	527.8	467.0
Expense on Employee Stock Options / Stock Appreciation Rights	15.5	7.1
(Refer note 38 and 39)		
Staff Welfare Expenses	388.0	265.2
TOTAL	**5,812.2**	**4,912.3**
26 - FINANCE COSTS		
Interest on Borrowings	180.7	201.0
Other Borrowing Costs (includes bank charges, etc.)	66.0	55.9
Interest on Income Tax	40.1	18.8
TOTAL	**286.8**	**275.7**
27 - OTHER EXPENSES		
Processing Charges	357.1	284.0
Stores and Spares Consumed [Refer note 33 (b) (ii)]	1,860.0	1,545.7
Repairs and Maintenance :		
- Buildings	140.4	116.5
- Plant and Machinery	380.7	337.2
- Others	288.1	205.4
Rent	104.2	80.3
Rates and Taxes	74.5	86.1
Insurance	178.6	141.9
Power and Fuel	2,571.3	1,968.3
Contract Labour Charges	453.7	372.3
Excise Duty (net) (Refer note 48)	84.0	44.1
Selling and Promotion Expenses	3,662.0	3,101.9
Commission, Brokerage and Discount	711.0	686.3
[Including cash discount of ` 6.4 million (previous year ` 6.4 million)]		
Freight and Forwarding	478.8	379.2
Lease Rent and Hire Charges	321.2	258.0
Postage and Telephone Expenses	164.8	138.3
Travelling and Conveyance	828.6	689.9
Legal and Professional Charges	1,411.6	975.1
[Net of recoveries of ` 253.0 million (previous year ` 78.7 million)]		
Donations	116.2	54.4
Clinical and Analytical Charges	383.9	520.4
Loss on Sale / Discard of Fixed Assets (net)	174.4	92.6
Bad Trade Receivables / Advances written off	26.5	5.0
[Net of provision of earlier year adjusted ` nil (previous year ` 6.5 million)]		
Provision for Doubtful Trade Receivables	2.0	-
Directors Sitting Fees	1.0	0.9
Net loss on Foreign Currency Transactions	62.0	-
Miscellaneous Expenses	991.8	702.2
TOTAL	**15,828.4**	**12,786.0**

28. Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ` 1518.2 million (previous year ` 1278.0 million).

29. Contingent Liabilities:

(` in million)

		As at 31.03.2012	As at 31.03.2011
a)	Income tax demands / matters in respect of earlier years, pending in appeals [` 17.7 million (previous year ` 152.4 million)] consequent to department preferring appeal against the order of the Appellate Authority passed in favour of the Company. Amount paid there against and included under note 19 "Short-Term Loans and Advances" ` 27.0 million (previous year ` nil).	44.7	152.4
b)	Excise duty, Service tax and Sales tax demands for input tax credit disallowances and demand for additional Entry Tax arising from dispute on applicable rate are in appeals and pending decisions. Amount paid there against and included under note 19 "Short-Term Loans and Advances" ` 28.4 million (previous year ` 29.0 million).	416.8	195.1
c)	Claims against the Company not acknowledged as debts [excluding interest (amount unascertained) in respect of a claim] for transfer charges of land, octroi duty, employee claims, power and stamp duty. Amount paid there against without admitting liability and included under note 19 "Short-Term Loans and Advances" ` 78.6 million (previous year ` 76.8 million).	432.9	311.1
d)	Counter guarantee given to GIDC in connection with repayment of loan sanctioned by a financial institution to a company, jointly promoted by an Association of Industries (of which, the Company is a member) and GIDC.	7.5	7.5
e)	Guarantees given in respect of standby letter of credit issued by the Company's bankers in connection with the credit facilities availed for its subsidiaries aggregating ` nil (previous year ` 221.6 million).	-	214.4
f)	Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of subsidiary companies aggregating ` 118.6 million (previous year ` 102.9 million).	81.4	37.5
g)	Corporate guarantee given in respect of credit facility sanctioned by bankers of subsidiary companies aggregating ` 3034.2 million (previous year ` 78.2 million).	2902.8	26.9
h)	Financial guarantee given to third party on behalf of subsidiary for contractual obligations.	152.6	133.8
i)	Bank Guarantees given on behalf of the Company to third party.	15.9	-

The Company does not envisage any likely reimbursements in respect of the above.

30. a) During the year, the Company, through its wholly owned subsidiary Lupin Holdings B.V., Netherlands ("LHBV"), acquired / subscribed to the equity stake of the following 100% subsidiaries:

i) Additional investment in Hormosan Pharma GmbH, Germany at a total cost of ` 177.1 million.

ii) Additional investment in Lupin Philippines Inc., Philippines at a total cost of ` 6.1 million.

iii) Additional investment in Lupin Mexico SA de CV, Mexico at a total cost of ` 8.6 million.

b) During the year, Kyowa Pharmaceutical Industry Co. Ltd., Japan (wholly owned subsidiary of LHBV) acquired 99.99% equity stake of I'rom Pharmaceutical Co. Ltd., Japan at a total cost of ` 2289.4 million.

The above acquisitions / subscriptions are based on the net asset values, the future projected revenues, operating profits, cash flows etc. of the investee companies.

31. Pre-operative expenses pending capitalisation included in Capital Work-In-Progress (Refer note 12) represent direct attributable expenditure for setting up of plants prior to the date of commencement of commercial production. The same will be capitalised on completion of projects and commencement of commercial operations. The details of the pre-operative expenses are:

(` in million)

Particulars	**2011-2012**	2010-2011
Opening balance	122.4	12.7
Addition on Amalgamation	-	78.0
Incurred during the current year:		
Salaries, allowances and contribution to funds	38.8	28.2
Professional fees	1.3	0.2
Travelling expenses	4.4	3.4
Others	23.0	20.2
Total	67.5	52.0
Less : Capitalised during the year	101.1	20.3
Closing balance	**88.8**	**122.4**

32. Segment Reporting:
The Company has presented data relating to its segments based on its consolidated financial statements, which are presented in the same Annual Report. Accordingly, in terms of paragraph 4 of the Accounting Standard 17 (AS 17) "Segment Reporting", no disclosures related to segments are presented in this standalone financial statement.

33. Additional information pursuant to the provisions of Paragraph 5 (viii) of Part II of Schedule VI to the Companies Act, 1956.

a) Consumption of Raw Materials:

(` in million)

Item	**2011-2012**	2010-2011
DL2 (RECEMIC)	814.2	748.9
PEN G	1840.1	2165.2
Others	11298.7	9354.3
TOTAL	**13953.0**	**12268.4**

b) Value of Imported and Indigenous consumption:

i) Consumption of Raw Materials:

		2011-2012		2010-2011
	%	**` in million**	%	` in million
Imported	38.9	5422.5	42.6	5224.5
Indigenous	61.1	8530.5	57.4	7043.9
TOTAL	**100.0**	**13953.0**	**100.0**	**12268.4**

ii) Consumption of Stores and Spares:

		2011-2012		2010-2011
	%	**` in million**	%	` in million
Imported	6.0	111.0	5.5	85.0
Indigenous	94.0	1749.0	94.5	1460.7
TOTAL	**100.0**	**1860.0**	**100.0**	**1545.7**

c) CIF Value of Imports:

(` in million)

		2011-2012	2010-2011
i)	Capital Goods	788.2	571.6
ii)	Raw Materials	5905.3	5873.9
iii)	Packing Materials	327.8	291.9
iv)	Purchase of Traded Goods	280.2	186.9
v)	Consumable, Stores and Spares	306.8	239.5
	TOTAL	**7608.3**	**7163.8**

d) Expenditure in Foreign currencies (subject to deduction of tax where applicable) on account of:

(` in million)

		2011-2012	2010-2011
i)	Interest	56.6	46.3
ii)	Travelling	30.4	30.4
iii)	Commission	190.4	221.5
iv)	Selling and Promotion expenses	1643.4	1250.4
v)	Clinical and Analytical charges	3.1	6.0
vi)	Legal and Professional Charges (net of recoveries)	1,255.6	761.8
vii)	Personnel Expenses	72.6	105.3
viii)	Others	207.6	396.6
	TOTAL	**3459.7**	**2818.3**

e) Earnings in Foreign Exchange (subject to deduction of tax where applicable) on account of:

(` in million)

		2011-2012	2010-2011
i)	FOB value of Exports	30329.2	25230.4
ii)	Deemed Exports	372.3	298.2
iii)	Sale of IP Rights	1416.3	579.5
iv)	Reimbursement of freight and insurance on Exports	237.4	215.3
v)	Compensation & Settlement Income	77.2	213.3
vi)	Others	11.6	9.5
	TOTAL	**32444.0**	**26546.2**

34. Remittance in Foreign currency on account of dividend:
The Company has paid dividend in respect of shares held by Non-Resident Shareholders on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non Resident External Account (NRE A/c). The total amount remittable in this respect is given below:

Year to which the dividend relates	2010-2011	2009-2010
Number of non-resident shareholders	1611	691
Number of shares held by them	106858141	17211675
Amount of dividend (` in million)	320.6	232.4

The Company does not have any information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by non-resident shareholders.

35. Auditors' Remuneration:

(` in million)

	2011-2012*	2010-2011*
Payment to Auditors:		
a) As Auditors	9.2	7.3
b) in respect of Taxation matters**	5.9	5.3
c) for other services – Certification	4.2	2.3
d) Reimbursement of out-of-pocket expenses (2010-11 ` 60,121/-)	0.2	
TOTAL	**19.5**	**14.9**

* Excluding service tax.

** Includes payment for taxation matters to an affiliated firm covered by a networking arrangement which is registered with the Institute of Chartered Accountants of India.

36. The Company procures equipments, vehicles and office premises under operating leases. These rentals recognised in the Statement of Profit and Loss (Refer note 27) for the year are ` 243.7 million (previous year ` 195.3 million). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

(` in million)

	2011-2012	2010-2011
Not later than one year	226.3	197.4
Later than one year but not later than five years	235.4	292.0
Later than five years	-	-
TOTAL	**461.7**	**489.4**

37. Basic and Diluted Earnings per Share is calculated as under:

(` in million)

	2011-2012	2010-2011
Profit attributable to Equity Shareholders	8043.7	8099.8
Weighted average number of Equity Shares:		
- Basic	446460933	445575264
Add : Effect of dilutive issue of employees stock options (ESOPs), - converted during the year and ESOPs outstanding as on 31.03.2012	1805072	2617049
- Diluted	448266005	448192313
Earnings per Share (in `)		
- Basic	18.02	18.18
- Diluted	17.94	18.07

38. Employees Stock Option Plans:

a. The Company implemented "Lupin Employees Stock Option Plan 2003" (ESOP 2003), "Lupin Employees Stock Option Plan 2005" (ESOP 2005) and "Lupin Subsidiary Companies Employees Stock Option Plan 2005" (SESOP 2005), "Lupin Employees Stock Option Plan 2011" (ESOP 2011) and "Lupin Subsidiary Companies Employees Stock Option Plan 2011" (SESOP 2011) as approved in earlier years by the Shareholders of the Company and the Remuneration / Compensation Committee of the Board of Directors. Details of the options granted during the year under the plans are as under:

Lupin Employees Stock Option Plan 2005 (ESOP 2005):

Grant Date	No. of Options	Exercise Price `	Vesting Period
July 21, 2011	4875	460.55	21.07.2011 to 21.07.2012
	4875	460.55	21.07.2011 to 21.07.2013
	11375	460.55	21.07.2011 to 21.07.2014
	11375	460.55	21.07.2011 to 21.07.2015
	32500		
November 18, 2011	50000	223.25	18.11.2011 to 18.11.2012
	50000		

Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005):

Grant Date	No. of Options	Exercise Price `	Vesting Period
April 14, 2011	1650	413.95	14.04.2011 to 14.04.2012
	1650	413.95	14.04.2011 to 14.04.2013
	3850	413.95	14.04.2011 to 14.04.2014
	3850	413.95	14.04.2011 to 14.04.2015
	11000		

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Grant Date	No. of Options	Exercise Price `	Vesting Period
August 02, 2011	461438	455.65	02.08.2011 to 02.08.2012
	461437	455.65	02.08.2011 to 02.08.2013
	461438	455.65	02.08.2011 to 02.08.2014
	461437	455.65	02.08.2011 to 02.08.2015
	1845750		

Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011):

Grant Date	No. of Options	Exercise Price `	Vesting Period
July 13, 2011	4750	458.30	13.07.2011 to 13.07.2012
	4750	458.30	13.07.2011 to 13.07.2013
	4750	458.30	13.07.2011 to 13.07.2014
	4750	458.30	13.07.2011 to 13.07.2015
	19000		
September 20, 2011	7500	473.90	20.09.2011 to 20.09.2012
	7500	473.90	20.09.2011 to 20.09.2013
	7500	473.90	20.09.2011 to 20.09.2014
	7500	473.90	20.09.2011 to 20.09.2015
	30000		
December 06, 2011	26470	469.95	06.12.2011 to 06.12.2012
	26470	469.95	06.12.2011 to 06.12.2013
	26470	469.95	06.12.2011 to 06.12.2014
	26470	469.95	06.12.2011 to 06.12.2015
	105880		
January 18, 2012	1625	433.25	18.01.2012 to 18.01.2013
	1625	433.25	18.01.2012 to 18.01.2014
	1625	433.25	18.01.2012 to 18.01.2015
	1625	433.25	18.01.2012 to 18.01.2016
	6500		

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ` 2 each. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plans with an exercise period of ten years from the respective grant dates.

The particulars of the options granted and lapsed under the Schemes are as below:

Lupin Employees Stock Option Plan 2003 (ESOP 2003):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	1303850	1542105
Add : Options granted during the year	-	222500
Less : Options lapsed during the year	115000	46250
Less : Options exercised during the year	103067	414505
Options outstanding as at the year end	1085783	1303850

Lupin Employees Stock Option Plan 2005 (ESOP 2005):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	1535600	2184510
Add : Options granted during the year	82500	235000
Less : Options lapsed during the year	89300	38505
Less : Options exercised during the year	278710	845405
Options outstanding as at the year end	1250090	1535600

Lupin Subsidiary Companies Employees Stock Option Plan 2005 (SESOP 2005):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	548136	759250
Add : Options granted during the year	11000	100000
Less : Options lapsed during the year	-	89000
Less : Options exercised during the year	58715	222114
Options outstanding as at the year end	500421	548136

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	-	-
Add : Options granted during the year	1845750	-
Less : Options lapsed during the year	86500	-
Less : Options exercised during the year	-	-
Options outstanding as at the year end	1759250	-

Lupin Subsidiary Companies Employees Stock Option Plan 2011 (SESOP 2011):

Particulars	**Year Ended 31.03.2012 Nos.**	Year Ended 31.03.2011 Nos.
Options outstanding as at the beginning of the year	-	-
Add : Options granted during the year	161380	-
Less : Options lapsed during the year	-	-
Less : Options exercised during the year	-	-
Options outstanding as at the year end	161380	-

b. The Company has followed the intrinsic value based method of accounting for stock options granted after April 1, 2005 based on Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the said Guidance Note, the Company's net income would be lower by ` 198.1 million (previous year ` 86.3 million) and earnings per share as reported would be lower as indicated below:

(` in million)

Particulars	**Year Ended 31.03.2012**	Year Ended 31.03.2011
Net profit as reported	8043.7	8099.8
Less : Total stock-based employee compensation expense determined under fair value based method	210.2	93.4
Add : Total stock-based employee compensation expense determined under intrinsic value based method	12.1	7.1
Adjusted net profit	7845.6	8013.5
Basic earnings per share		
- As reported (in `)*	18.02	18.18
- Adjusted (in `)	17.57	17.98
Diluted earnings per share		
- As reported (in `)*	17.94	18.07
- Adjusted (in `)	17.50	17.88

* Refer note 37

The fair value of each option granted during the year is estimated on the date of grant based on the following assumptions:

	ESOP 2005 Plan		SESOP 2005 Plan	ESOP 2011 Plan	SESOP 2011 Plan			
Grant Dated	July 21, 2011	November 18, 2011	April 14, 2011	August 2, 2011	July 13, 2011	September 20, 2011	December 6, 2011	January 18, 2012
Particulars								
Dividend yield (%)	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Expected life (years)	6.45	5.50	6.45	6.25	6.25	6.25	6.25	6.25
Risk free interest rate (%)	8.41	8.75	7.94	8.41	8.31	8.32	8.55	8.14
Volatility (%)	36.19	35.89	36.52	36.19	36.30	36.24	35.75	35.52

39. Stock Appreciation Rights:

During the year, the Company has granted Stock Appreciation Rights ("SARs") to certain eligible employees in accordance with Lupin Employees Stock Appreciation Rights Scheme ("LESARs 2011") approved by the Board of Directors (Board) at their Board Meeting held on September 13, 2011. Under the scheme, eligible employees are entitled to receive appreciation in value of shares on completion of the vesting period.

The Scheme is administered through the Lupin Employees Benefit Trust (the "Trust") as settled by the Company. The Trust is administered by an independent Trustee. At the end of the vesting period of 3 years, the equity shares will be sold in the market by the Trust and the appreciation on the same (if any) will be distributed to the said employees, subject to vesting conditions.

As approved by the Board, the Company has advanced an interest free loan of ` 220.1 million to the Trust during the year to acquire appropriate number of Equity Shares of the Company from the market on the grant date of SARs and the loan outstanding as at the balance sheet date aggregating to ` 220.1 million is included under "Long-Term Loans and Advances" (Refer note 14).

The particulars of the rights assigned and lapsed under the Scheme are as below:

Lupin Employees Stock Appreciation Rights 2011:

Particulars	**Year Ended 31.03.2012**	Year Ended 31.03.2011
Rights outstanding at the beginning of the year	-	-
Add: Rights assigned during the year	463409	-
Less: Rights lapsed during the year	8119	-
Rights outstanding at the year end	455290	-

The related compensation cost for outstanding SARs amounting to ` 3.5 million has been recognized as Employee Benefits Expense and the corresponding credit is included under "Reserves and Surplus" as Employee Stock Appreciation Rights Outstanding. Had the compensation cost for the Company's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the Guidance Note on Accounting for Employee Share-based Payments issued by ICAI, the Company's net income would be lower by ` 5.7 million (previous year ` nil) and earnings per share as reported would be lower as indicated below:

(` in million)

Particulars	**Year Ended 31.03.2012**	Year Ended 31.03.2011
Net profit as reported	8043.7	-
Less : Total stock-based employee compensation expense determined under fair value based method	9.2	-
Add : Total stock-based employee compensation expense determined under intrinsic value based method	3.5	-
Adjusted net profit	8038.0	-
Basic earnings per share		
- As reported (in `)*	18.02	-
- Adjusted (in `)	18.00	-
Diluted earnings per share		
- As reported (in `)*	17.94	-
- Adjusted (in `)	17.93	-

* Refer note 37

40. Post Employment Benefits:

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ` 120.1 million (previous year ` 96.0 million) for superannuation contribution and ` 1.5 million (previous year ` 3.8 million) for provident fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

A) The provident fund plan of the Company, except one plant, is operated by the "Lupin Limited Employees Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plans equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The ASB Guidance on Implementing AS-15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefit plans involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and shortfall aggregating ` 24.6 million has been provided for. The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan.

The Company recognised ` 175.7 million (Previous year ` 137.0 million) for provident fund contributions in the Statement of Profit and Loss.

B) The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

a) On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2012. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and provident fund plan and the amounts recognised in the Company's financial statements as at the balance sheet date.

(` in million)

Sr. No.	Particulars	Gratuity (Funded)		Provident Fund (Funded)##
		As on 31.03.2012	As on 31.03.2011	**As on 31.03.2012**
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**			
	Current service cost	74.1	30.7	616.4
	Past service cost	-	1.2	-
	Interest cost	29.0	20.2	7.4
	Actuarial loss / (gain)	18.5	105.9	(94.6)
	Benefits paid	(43.5)	(26.6)	(243.5)
	PVO at the beginning of the year	384.6	244.3	1867.1
	Addition on amalgamation	-	8.9	-
	PVO at the end of the year	462.7	384.6	2152.8
II)	**Change in fair value of plan assets:**			
	Expected return on plan assets	35.2	29.1	154.0
	Actuarial gain / (loss)	(2.3)	-	-
	Contributions by the employer	57.9	142.9	442.5
	Transfer from gratuity fund on amalgamation of erstwhile subsidiary (Refer note 45)	5.0	-	-
	Benefits paid	(43.5)	(26.6)	(243.5)
	Fair value of plan assets at the beginning of the year	365.4	213.3	1775.2
	Addition on amalgamation	-	6.7	-
	Fair value of plan assets at the end of the year	417.7	365.4	2128.2

Sr. No.	Particulars	Gratuity (Funded)		Provident Fund (Funded)##
		As on 31.03.2012	As on 31.03.2011	**As on 31.03.2012**
III)	**Reconciliation of PVO and fair value of plan assets:**			
	PVO at the end of the year	462.7	384.6	2152.8
	Fair Value of plan assets at the end of the year	417.7	365.4	2128.2
	Funded status	(45.0)	(19.2)	(24.6)
	Unrecognised actuarial gain / (loss)	-	-	-
	Net liability recognised in the balance sheet	(45.0)	(19.2)	(24.6)
IV)	**Net cost for the year:**			
	Current service cost	74.1	30.7	616.4
	Past service cost	-	1.2	-
	Interest cost	29.0	20.2	7.4
	Expected return on plan assets	(35.2)	(29.1)	(154.0)
	Actuarial losses / (gain)	20.8	105.9	(94.6)
	Net cost	88.7	128.9	375.2
V)	**Category of assets as at the end of the year:**			
	Insurer Managed Funds (100%) (Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available)	417.7	365.4	
VI)	**Actual return on the plan assets**	32.9	29.1	154.0
VII)	**Assumption used in accounting for the gratuity plan:**			
	Discount rate (%)	8.7	8.0	8.7
	Salary escalation rate (%)	6.0	6.0	6.0
	Expected rate of return on plan assets (%)	9.5	9.5	8.7

(` in million)

Gratuity (Funded)	Year Ended				
	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Experience adjustment					
- On plan liabilities	90.5	#	#	#	#
- On plan assets	2.3	#	#	#	#
Present value of benefit obligation	(462.7)	(384.6)	(244.3)	(186.5)	(182.3)
Fair value of plan assets	417.7	365.4	213.3	165.1	178.3
Excess of (obligation over plan assets) / plan assets over obligation	(45.0)	(19.2)	(31.0)	(21.4)	(4.0)

Experience adjustment information in respect of previous four years is not available, hence not disclosed.
This is the first year of valuation, hence previous year figures are not disclosed.

41. Details on unhedged foreign currency exposure:
The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as given below:

a. Amount receivable in foreign currency on account of the following:

Particulars	**As on 31.03.2012**		As on 31.03.2011		Foreign Currency
	` in Million	**Amount in Foreign Currency**	` in Million	Amount in Foreign Currency	
Export of goods					
	147.9	2794974	106.7	2315804	AUD
	1.7	33800	7.0	157950	ACUD
	531.5	7828243	419.0	6617436	EURO
	122.1	1498149	88.7	1237187	GBP
	12336.3	242482514	9926.8	222598763	USD
	-	-	0.2	4826	CHF
	1.5	2447801	-	-	JPY
	2.1	1732800	-	-	PHP
Other receivables					
	0.1	2686513	` 35854/-	1327712	UZS
	9.9	195425	2.0	44139	USD
	2.0	1119322	2.4	1532455	RUB
	0.3	753799	0.6	1758163	KZT
	-	-	0.4	5616	GBP
	2.2	272886	1.1	167067	RMB
	0.1	12551	0.7	122423	UAH
	0.1	794	-	-	EURO

b. Amount payable in foreign currency on account of the following:

Particulars	**As on 31.03.2012**		As on 31.03.2011		Foreign Currency
	` in Million	**Amount in Foreign Currency**	` in Million	Amount in Foreign Currency	
Import of goods and services					
	1878.5	36923383	1542.1	34581226	USD
	11.6	141822	35.8	499529	GBP
	80.0	1178680	64.9	1024438	EURO
	6.2	116896	1.2	25213	AUD
	-	-	14.2	26414750	JPY
	6.7	119043	0.9	18844	CHF
	-	-	0.2	164998	PHP
	0.7	14289	-	-	CAD
	-	-	` 45231/-	28358	RUB
Secured and Unsecured loans payable	10288.2	202225461	8984.7	201473795	USD
Interest accrued and not due on Secured and Unsecured loans	0.2	3933	3.6	81482	USD

Particulars	**As on 31.03.2012**		As on 31.03.2011		Foreign Currency
	` in Million	**Amount in Foreign Currency**	` in Million	Amount in Foreign Currency	
Other payables					
	141.2	2774734	145.6	3265033	USD
	1.0	586988	-	-	RUB
	0.3	3553	-	-	GBP
	0.3	869288	0.5	1435134	KZT
	-	-	` 8600/-	314574	UZS
	3.4	66210	1.8	39720	ACUD
	2.1	315753	-	-	UAH
	20.9	307972	34.6	547138	EURO
	2.6	48422	4.3	93340	AUD
	0.3	18594	0.1	7644	AED
	-	-	0.5	500000	PHP
	0.5	16166	0.9	31209	BRL
	1.1	163634	-	-	ZAR

42. Details of Derivative Contracts:
The Company enters into forward and option contracts in order to hedge and manage its foreign currency exposures towards future export earnings. Such derivative contracts (including contracts for a period extending beyond the financial year 2012-13) are entered into by the Company for hedging purposes only, and are accordingly classified as cash flow hedges.

The category wise break-up thereof is as under:

(Amount in million)

Particulars	Currency	**As at 31.03.2012**	As at 31.03.2011	Cross Currency
Forward contracts	USD	232.0	275.0	INR
Option contracts	USD	31.5	55.5	INR
Forward contracts	EUR	-	4.0	INR
Forward contracts	EUR	10.0	7.0	USD

The changes in the fair value of the derivative contracts during the year ended March 31, 2012 aggregating ` 631.9 million (previous year ` 126.3 million) designated and effective as hedges have been debited to the Cash Flow Hedge Reserve and ` 4.7 million (previous year ` 20.3 million credited) is debited to the Statement of Profit and Loss, being the ineffective portion thereof.

43. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of account is ` 4630.4 million (previous year ` 4310.9 million).

44. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Amounts due to Micro Enterprises and Small Enterprises as on March 31, 2012 is ` 219.4 million, interest ` nil (previous year ` 187.2 million, interest ` nil), interest paid during the year ` nil (previous year ` nil).

45. During the previous year:

a) Under Sections 391-394 of the Companies Act, 1956, Lupin Pharmacare Limited and Lupin Herbal Limited together with Novodigm Limited, wholly owned subsidiaries of the Company (‘transferor companies’), stood amalgamated with the Company on a going concern basis effective from May 27, 2010, pursuant to the scheme sanctioned by the Honourable High Court of Judicature at Ahmedabad vide its order dated May 6, 2010.

b) The said amalgamation was accounted for under the “Pooling of Interests” method as prescribed by the Accounting Standard 14 ‘Accounting for Amalgamations’ as notified by the Companies (Accounting Standards) Rules, 2006. In terms of the Scheme, all the assets and liabilities of the transferor companies were transferred to the Company at their respective book values and all inter-company balances were cancelled. Since the transferor companies were wholly owned subsidiaries, the shares held by the Company in the aforesaid companies stood cancelled and no shares were issued to effect the amalgamation.

c) Consequently, the goodwill of ` 218.1 million arising on amalgamation is reflected in the standalone financial statements of the Company from the year ended March 31, 2011. The said goodwill is being amortized over a period of five years.

46. Details of purchase, turnover and inventory:

A) Details of purchase of finished goods:

(` in million)

		Year ended	
Classification		**31.03.2012**	31.03.2011
A)	Formulations :		
	Tablets	2376.8	1754.8
	Liquids	1053.2	546.8
	Capsules	642.8	476.6
	Injections:		
	- Liquids	142.5	127.3
	- Vials	1531.3	777.8
	Creams and Powder	135.7	101.7
	Inhalers	3.6	7.4
B)	Bulk Drugs, Intermediates and Chemicals	6.9	15.9
C)	Others	99.9	33.6
	TOTAL	**5992.7**	**3841.9**

Purchases of formulations includes samples.

B) Details of Turnover:

(` in million)

		Year ended	
Classification		**31.03.2012**	31.03.2011
A)	Formulations :		
	Tablets	26536.4	20645.0
	Liquids	4891.7	5682.6
	Capsules	7769.1	5689.1
	Injections:		
	- Liquids	338.0	331.1
	- Vials	3070.2	2236.5
	Creams and Powder	400.6	335.0
	Inhalers	418.1	357.8
B)	Bulk Drugs, Intermediates and Chemicals	8554.6	8696.0
C)	Others	184.1	63.4
	TOTAL	**52162.8**	**44036.5**

Above excludes items distributed under free schemes and samples and the value is net of trade discounts.

C) Details of Inventory (Finished Goods including Stock-in-Trade):

(` in million)

Classification	As at 31.03.2012	31.03.2011
A) Formulation :		
Tablets	1219.0	761.8
Liquids	268.8	136.8
Capsules	301.1	197.3
Injections:		
- Liquids	32.5	31.1
- Vials	406.3	299.6
Creams and Powder	54.4	45.8
Inhalers	43.3	30.1
B) Bulk Drugs, Intermediates and Chemicals	984.7	998.2
C) Others	26.8	25.0
TOTAL	**3336.9**	**2525.7**

D) Details of Work in Process:

(` in million)

Classification	As at 31.03.2012	31.03.2011
A) Formulation :	603.8	545.1
B) Bulk Drugs, Intermediates and Chemicals	1704.5	1249.1
TOTAL	**2308.3**	**1794.2**

47. Related Party Disclosures, as required by Accounting Standard 18 are given below:

A. Relationships:

Category I : Subsidiaries:

Lupin Pharmaceuticals Inc., USA
Kyowa Pharmaceutical Industry Co. Ltd., Japan
Lupin Australia Pty Ltd., Australia
Lupin Holdings B.V., Netherlands
Pharma Dynamics (Proprietary) Ltd., South Africa
Hormosan Pharma GmbH, Germany
Multicare Pharmaceuticals Philippines Inc., Philippines
Lupin Atlantis Holdings SA, Switzerland
Lupin (Europe) Ltd., UK
Amel Touhoku, Japan
Lupin Pharma Canada Ltd., Canada
Lupin Mexico SA de CV, Mexico (from 23rd August 2010)
Generic Health Pty Ltd., Australia (from 27th September 2010)
Bellwether Pharma Pty Ltd., Australia (from 27th September 2010)
Generic Health Inc., USA (from 27th September 2010) (upto 4th October 2011)
Max Pharma Pty Ltd., Australia (from 27th September 2010)
Lupin Philippines Inc., Philippines (from 20th December 2010)
Lupin Healthcare Ltd., India (from 17th March 2011)
Generic Health SDN. BHD., Malaysia (from 18th May 2011)
I'rom Pharmaceutical Co. Ltd., Japan (from 30th November 2011)

Category II : Key Management Personnel:

Dr. D. B. Gupta	Chairman
Dr. K. K. Sharma	Managing Director
Mrs. M. D. Gupta	Executive Director
Mr. Nilesh Gupta	Executive Director

Category III : Others (Relatives of Key Management Personnel and Entities in which the Key Management Personnel have control or significant influence):

Mrs. Vinita Gupta
Dr. Anuja Gupta
Mrs. Kavita Gupta Sabharwal
Dr. Richa Gupta
Mrs. Pushpa Khandelwal
Bharat Steel Fabrication and Engineering Works
D. B. Gupta (HUF)
Enzal Chemicals (India) Limited
Lupin Human Welfare and Research Foundation
Lupin International Pvt. Limited
Lupin Investments Pvt. Limited
Lupin Marketing Pvt. Limited
Matashree Gomati Devi Jana Seva Nidhi
Novamed Pharmaceuticals Pvt. Limited
Polynova Industries Limited
Rahas Investments Pvt. Limited
Synchem Chemicals (I) Pvt. Limited
Visiomed (India) Pvt. Limited
Zyma Laboratories Limited

B. Transactions with the related parties:

(` in million unless other wise stated)

Sr. No.	Transactions	Subsidiaries	Associates	Key Management Personnel	Others	Total
1.	Sale of Goods	20,836.4	-	-	-	20,836.4
		(16,395.7)	(43.6)	-	-	(16,439.3)
2.	Sale of IP Rights - Income from research services	23.9	-	-	-	23.9
		(-)	(-)	(-)	(-)	(-)
3.	Miscellaneous income on account of sale of by-products	-	-	-	1.7	1.7
		(-)	(-)	(-)	(2.5)	(2.5)
4.	Guarantee Commission Income	2.1	-	-	-	2.1
		(-)	(-)	(-)	(-)	(-)
5.	Rent Expenses	-	-	-	95.9	95.9
		(-)	(-)	(-)	(102.4)	(102.4)
6.	Business Conducting Expenses	-	-	-	-	-
		(-)	(-)	(-)	(` 1250/-)	(` 1250/-)

Sr. No.	Transactions	Subsidiaries	Associates	Key Management Personnel	Others	Total
7.	Agency Commission Expenses	3.2	-	-	-	3.2
		(4.3)	(4.9)	(-)	(-)	(9.2)
8.	Expenses Recovered / Rent Received	11.8	-	-	2.8	14.6
		(30.9)	(-)	(-)	(1.0)	(31.9)
9.	Remuneration Paid	-	-	277.7	-	277.7
		(-)	(-)	(244.1)	(-)	(244.1)
10.	Purchase of Goods / Materials	0.8	-	-	29.7	30.5
		(0.7)	(-)	(-)	(44.8)	(45.5)
11.	Investments during the year	61.7	-	-	-	61.7
		(34.8)	(-)	(-)	(-)	(34.8)
12.	Donations Paid	-	-	-	57.2	57.2
		(-)	(-)	(-)	(32.4)	(32.4)
13.	Dividend Paid	-	-	18.9	610.7	629.6
		(-)	(-)	(17.0)	(549.6)	(566.6)
14.	Services Received	1,402.1	-	-	-	1,402.1
		(1,050.1)	(-)	(-)	(-)	(1,050.1)
15.	Purchase of Undertaking	-	-	-	-	-
		(-)	(-)	(-)	(195.0)	(195.0)
16.	Expenses Reimbursed	169.9	-	-	-	169.9
		(68.1)	(-)	(-)	(-)	(68.1)
17.	Refund of Deposit for leave and licence arrangement for premises	-	-	-	-	-
		(-)	(-)	(-)	(9.7)	(9.7)
18.	Deposit paid for leave and licence arrangement for premises	-	-	-	0.2	0.2
		(-)	(-)	(-)	` (31500/-)	` (31500/-)
19.	Refund of Deposit given for Business Conducting Arrangement	-	-	-	-	-
		(-)	(-)	(-)	(180.0)	(180.0)
20.	Guarantees (withdrawn) / given against standby Letter of Credit issued by Company's bankers to the bankers of wholly owned subsidiary companies.	(221.6)	-	-	-	(221.6)
		(40.0)	(-)	(-)	(-)	(40.0)
21.	Letter of Comfort issued by the company to the bankers of subsidiary companies.	15.7	-	-	-	15.7
		(521.0)	(-)	(-)	(-)	(521.0)
22.	Corporate guarantee issued by the company to the bankers of wholly owned subsidiary companies.	2,956.0	-	-	-	2,956.0
		(35.8)	(-)	(-)	(-)	(35.8)

Out of the above items transactions in excess of 10% of the total related party transactions are as under :

(` in million unless other wise stated)

Sr. No.	Transactions	Related party relation	**For the year ended 31.03.2012**	For the year ended 31.03.2011
1.	Sale of Goods			
	Lupin Pharmaceuticals Inc., USA	Subsidiary Company	20,336.9	16,138.0
2.	Sale of IP Rights - Income from research services			
	Lupin Atlantis Holdings SA, Switzerland	Subsidiary Company	23.9	-
3.	Miscellaneous income on account of sale of by-products			
	Enzal Chemicals (India) Ltd.	Others	1.7	2.5
4.	Guarantee Commission Income			
	Kyowa Pharmaceutical Industry Co. Ltd., Japan	Subsidiary Company	2.1	-
5.	Rent Expenses			
	Lupin Investments Pvt. Ltd.	Others	78.1	82.6
	Bharat Steel Fabrication and Engineering Works	Others	9.7	11.0
6.	Business Conducting Expenses			
	Synchem Chemicals (I) Pvt. Ltd.	Others	-	` 1,250/-
7.	Agency Commission Expenses			
	Generic Health Pty Ltd., Australia	Subsidiary Company	3.2	4.3
	Generic Health Pty Ltd., Australia	Associate	-	4.9
8.	Expenses Recovered / Rent Received			
	Lupin Pharmaceuticals Inc., USA	Subsidiary Company	5.6	7.3
	Pharma Dynamics (Proprietary) Ltd., South Africa	Subsidiary Company	4.5	9.2
	Lupin Atlantis Holding SA, Switzerland	Subsidiary Company	-	12.2
	Polynova Industries Ltd.	Others	2.8	-
9.	Remunerations Paid			
	Dr. D. B. Gupta	Key Management Personnel	150.0	113.7
	Dr. K. K. Sharma	Key Management Personnel	83.5	82.5
	Mr. Nilesh Gupta	Key Management Personnel	38.5	44.7
10.	Purchase of Goods / Material			
	Enzal Chemicals (India) Ltd.	Others	29.7	44.8
11.	Investments during the year			
	Lupin Holdings B. V., Netherlands	Subsidiary Company	-	14.8
	Lupin Healthcare Ltd., India	Subsidiary Company	61.7	20.0
12.	Donations Paid			
	Lupin Human Welfare and Research Foundation	Others	52.1	29.4
13.	Dividend Paid			
	Lupin Marketing Pvt. Ltd.	Others	121.2	109.1
	Rahas Investments Pvt. Ltd.	Others	137.1	123.4
	Visiomed (I) Pvt. Ltd.	Others	130.5	117.5
	Zyma Laboratories Ltd.	Others	164.9	148.4
14.	Services Received			
	Lupin Pharmaceuticals Inc.,USA	Subsidiary Company	1,142.5	770.6
	Lupin (Europe) Ltd., UK	Subsidiary Company	242.8	279.5
15.	Purchase of Undertaking			
	Synchem Chemicals (I) Pvt. Ltd.	Others	-	195.0

Sr. No.	Transactions	Related party relation	**For the year ended 31.03.2012**	For the year ended 31.03.2011
16.	Expenses Reimbursed			
	Lupin Pharmaceuticals Inc., USA	Subsidiary Company	125.7	15.5
	Lupin Australia Pty Ltd., Australia	Subsidiary Company	37.4	28.0
	Lupin (Europe) Ltd., UK	Subsidiary Company	4.5	12.6
	Pharma Dynamics (Proprietary) Ltd., South Africa	Subsidiary Company	1.1	9.0
17.	Refund of Deposit for leave and licence arrangement for premises			
	Bharat Steel Fabrication and Engineering Works	Others	-	1.9
	Lupin Investments Pvt. Ltd.	Others	-	7.0
18.	Deposit paid for leave and licence arrangement for premises			
	Zyma Laboratories Ltd.	Others	` 88,500/-	` 31,500/-
	Synchem Chemicals (I) Pvt. Ltd.	Others	` 88,500/-	-
19.	Refund of Deposit given for Business Conducting Arrangement			
	Synchem Chemicals (I) Pvt. Ltd.	Others	-	180.0
20.	Guarantees given against standby Letter of Credit issued by Company's bankers to the bankers of wholly owned subsidiary			
	Hormosan Pharma GmbH, Germany	Subsidiary Company	-	40.0
21.	Letter of Comfort (withdrawn) / issued by the Company to the bankers of Subsidiary company.			
	Novodigm Ltd.	Subsidiary Company	-	(521.0)
22.	Corporate guarantee issued by the Company to the bankers of wholly owned Subsidiary company.			
	Hormosan Pharma GmbH, Germany	Subsidiary Company	271.6	-
	Lupin (Europe) Ltd., UK	Subsidiary Company	-	35.8
	Generic Health Pty Ltd., Australia	Subsidiary Company	232.9	-
	Kyowa Pharmaceutical Industry Co. Ltd., Japan	Subsidiary Company	2,442.8	-

C. Balances due from / to the related parties:

(` in million unless other wise stated)

Sr. No.	Transactions	Subsidiaries	Key Management Personnel	Others	Total
1.	Investments	6,852.7	-	-	6,852.7
		(6,791.0)	(-)	(-)	(6,791.0)
2.	Deposit paid under Leave and Licence arrangement for Office Premises	-	-	62.2	62.2
		(-)	(-)	(62.0)	(62.0)
3.	Debtors	10,359.6	-	-	10,359.6
		(7,440.9)	(-)	(-)	(7,440.9)
4.	Creditors	615.5	-	0.6	616.1
		(512.7)	(-)	(1.7)	(514.4)
5.	Commission Payable	-	105.5	-	105.5
		(4.3)	(88.0)	(-)	(92.3)

Sr. No.	Transactions	Subsidiaries	Key Management Personnel	Others	Total
6.	Expenses payable	32.2	-	-	32.2
		(2.5)	(-)	(-)	(2.5)
7.	Expenses receivable	1.4	-	` 27,789/-	1.5
		(2.0)	(-)	(-)	(2.0)
8.	Income Receivable	1.5	-	-	1.5
		(-)	(-)	(-)	(-)
9.	Guarantees given against standby Letter of Credit issued by Company's bankers to the bankers of wholly owned subsidiary companies.	-	-	-	-
		(221.6)	(-)	(-)	(221.6)
10.	Letter of Comfort issued by the company to the bankers of subsidiary companies.	118.6	-	-	118.6
		(102.9)	(-)	(-)	(102.9)
11.	Corporate guarantee issued by the company to the bankers of wholly owned subsidiary companies.	3,034.2	-	-	3,034.2
		(78.2)	(-)	(-)	(78.2)

i) Figures in brackets are for previous year.
ii) Related party relationship is as identified by the Company and relied upon by the Auditors.

48. Excise duty (Refer note 27) includes ` 23.2 million (previous year ` 2.8 million) being net impact of the excise duty provision on opening and closing stock.

49. The Company is involved in various legal proceedings, including product liability related claims, employment claims and other regulatory matters relating to conduct of its business. The Company carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims, the Company believes, these claims do not constitute material litigation matters and with its meritorious defenses the ultimate disposition of these matters will not have material adverse effect on its Financial Statements.

50. No borrowing cost has been capitalised during the year.

51. The Revised Schedule VI has become effective from 1 April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Note 1 to 51

For and on behalf of **Board of Directors of Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Vinita Gupta
Director

Nilesh Gupta
Executive Director

Dr. Vijay Kelkar
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

D. K. Contractor
Director

Place : Mumbai
Dated : May 10, 2012

R. V. Satam
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the subsidiary company	Financial year/period of the subsidiary company	Date from which it became subsidiary	Extent of interest of the holding Company in the Capital and Reserves of the subsidiary company at the end of the financial year/period of the subsidiary company		Net aggregate amount of the subsidiary company's profit / (loss) not dealt with in the holding Company's accounts		Net aggregate amount of the subsidiary company's profit/ (loss) dealt with in the holding Company's accounts	
			a) Number of shares held	b) Extent of holding	Current year/period	Previous years/periods	Current year/period	Previous years/periods
Lupin Pharmaceuticals Inc., USA	Year ended 31.03.2012	30.06.2003	300,000 shares of the face value of US $ 1 each	100%	` 611.8 Mn.	` 1137.7 Mn.	Nil	Nil
Kyowa Pharmaceutical Industry Co., Ltd., Japan	Year ended 31.03.2012	18.10.2007	196,000 Ordinary Shares of the face value of JPY 500 each (Note 1)	100%	` 1028.0 Mn.	` 1783.4 Mn.	Nil	Nil
Lupin Australia Pty Ltd., Australia	Year ended 31.03.2012	01.12.2004	500,000 Ordinary Shares of the face value of AU $ 1 each	100%	(` 5.6 Mn.)	` 5.0 Mn.	Nil	Nil
Lupin Holdings B.V., Netherlands	Year ended 31.03.2012	30.03.2007	105,829 Ordinary Shares of the face value of Euro 1000 each	100%	` 313.5 Mn.	` 644.4 Mn.	Nil	Nil
Pharma Dynamics (Proprietary) Ltd., South Africa	Year ended 31.03.2012	01.03.2008	60,000 Equity Shares of the face value of South African Rand 1 each (Note 1)	60%	` 337.4 Mn.	` 476.5 Mn.	Nil	Nil
Hormosan Pharma GmbH, Germany	Year ended 31.03.2012	25.07.2008	122,900 Equity Shares of the face value of Euro 1 each (Note 1)	100%	(` 49.3 Mn.)	(` 398.3 Mn.)	Nil	Nil
Multicare Pharmaceuticals Philippines, Inc., Philippines	Year ended 31.03.2012	26.03.2009	1,308,150 Equity Shares of the face value of PHP 10 each (Note 1)	51%	` 28.2 Mn.	` 19.1 Mn.	Nil	Nil
Lupin Atlantis Holdings SA, Switzerland	Year ended 31.03.2012	05.06.2007	2,486 Equity Shares of the face value of CHF 1000 each (Note 1)	100%	` 85.0 Mn.	` 1837.4 Mn.	Nil	Nil
Lupin (Europe) Ltd., U.K.	Year ended 31.03.2012	05.06.2009	251,000 Ordinary Shares of GBP 1 each	100%	` 4.7 Mn.	` 5.0 Mn.	Nil	Nil.
Amel Touhoku, Japan	Year ended 31.03.2012	18.10.2007	300 Ordinary Shares of the face value of JPY 10000 each (Note 2)	100%	` 0.5 Mn.	` 4.8 Mn.	Nil	Nil
Lupin Pharma Canada Ltd., Canada	Year ended 31.03.2012	18.06.2009	280,000,100 Common Shares (Shares do not have face value) (Note 3)	100%	(` 0.8 Mn.)	(` 5.5 Mn.)	Nil	Nil
Lupin Mexico SA de CV, Mexico	Year ended 31.03.2012	23.08.2010	22,726 Common Shares of MXN $ 100 each (Note 1)	100%	(` 7.3 Mn.)	(` 0.1 Mn.)	Nil	Nil
Generic Health Pty Ltd., Australia	Year ended 31.03.2012	27.09.2010	74,504,090 Ordinary Shares of no par value (Note 1)	76.72%	(` 117.6 Mn.)	(` 60.7 Mn.)	Nil	Nil
Bellwether Pharma Pty Ltd., Australia	Year ended 31.03.2012	27.09.2010	1,000,000 Ordinary Shares of no par value (Note 4)	76.72%	` 0.1 Mn.	(` 15.6 Mn.)	Nil	Nil
Max Pharma Pty Ltd., Australia	Year ended 31.03.2012	27.09.2010	2,885,714 Ordinary Shares of no par value (Note 4)	76.72%	` 13.4 Mn.	(` 92.8 Mn.)	Nil	Nil
Generic Health Inc., U.S.A.	From 01.04.2011 to 04.10.2011	27.09.2010	120 Common Shares (Face value of 100 Common Shares is US $ 1) (Note 4)	76.72%	Nil	Nil	Nil	Nil
Lupin Philippines, Inc., Philippines	Year ended 31.03.2012	20.12.2010	1,376,176 Common Shares of the face value of PHP 10 each (including 5 shares held by nominees) (Note 1)	100%	(` 18.4 Mn.)	(` 0.9 Mn.)	Nil	Nil
Lupin Healthcare Ltd., India	Year ended 31.03.2012	17.03.2011	2,616,677 Equity shares of the face value of ` 10/- each (including 6 shares held by nominees)	100%	(` 3.0 Mn.)	(` 1.0 Mn.)	Nil	Nil
Generic Health SDN. BHD., Malaysia	From 18.05.2011 to 31.03.2012	18.05.2011	4 Ordinary Shares of the face value of RM 1 each (Note 5)	100%	Nil	N.A.	Nil	N.A.
I'rom Pharmaceutical Co., Ltd., Japan	From 30.11.2011 to 31.03.2012	30.11.2011	31,599,939 Ordinary Shares of JPY Nil each (Note 2)	99.99%	(` 21.1 Mn.)	N.A.	Nil	N.A.

Notes:

1. Shares are held by Lupin Holdings B.V., Netherlands, a wholly-owned subsidiary of the Company.
2. Shares are held by Kyowa Pharmaceutical Industry Co., Ltd., Japan, a wholly-owned subsidiary of the Company.
3. Lupin Holdings B.V., Netherlands, holds 280,000,000 Shares and Lupin Atlantis Holdings SA, Switzerland, holds 100 Shares.
4. Shares are held by Generic Health Pty Ltd., Australia, a subsidiary of the Company.
5. Shares are held by nominees of Lupin Holdings B.V. Netherlands.

For and on behalf of the Board of Directors

R. V. Satam
Company Secretary

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

Mumbai, May 10, 2012

Full accounts of the aforesaid subsidiaries are available for inspection at the Registered Office of the Company and on request will be sent to members free of cost.

LUPIN

ANNUAL REPORT 2012

LUPIN LIMITED

Corporate Office
Laxmi Towers, 'B' Wing,
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
India
Tel: +91 (22) 6640 2222

Registered Office
159, C.S.T. Road, Kalina
Santacruz (East)
Mumbai 400 098
India
Tel: +91 (22) 6640 2323

Email
info@lupinworld.com

Website
www.lupinworld.com