LUPIN

FORM A

1.	Name of the Company:	Lupin Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by-	
	For LUPIN LIMITED Dr. Kamal K. Sharma Managing Director	11 JUL 2013
	For LUPIN LIMITED Ramesh Swaminathan President - Finance & Planning	11 JUL 2013
	For LUPIN LIMITED Dr. K. U. Mada Chairman - Audit Committee	11 JUL 2013
	Auditor of the Company	Refer our Audit Report dated May 08, 2013 on the Consolidated Financial Statements of Lupin Limited. For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No. 117366W) (K.A. Katki) (Partner) (Membership No. 038568) Mumbai, July 12, 2013. DELOITTE HASKINS & SELLS

THE BOTTOMLINE IS...

LUPIN LIMITED | Annual Report 2013

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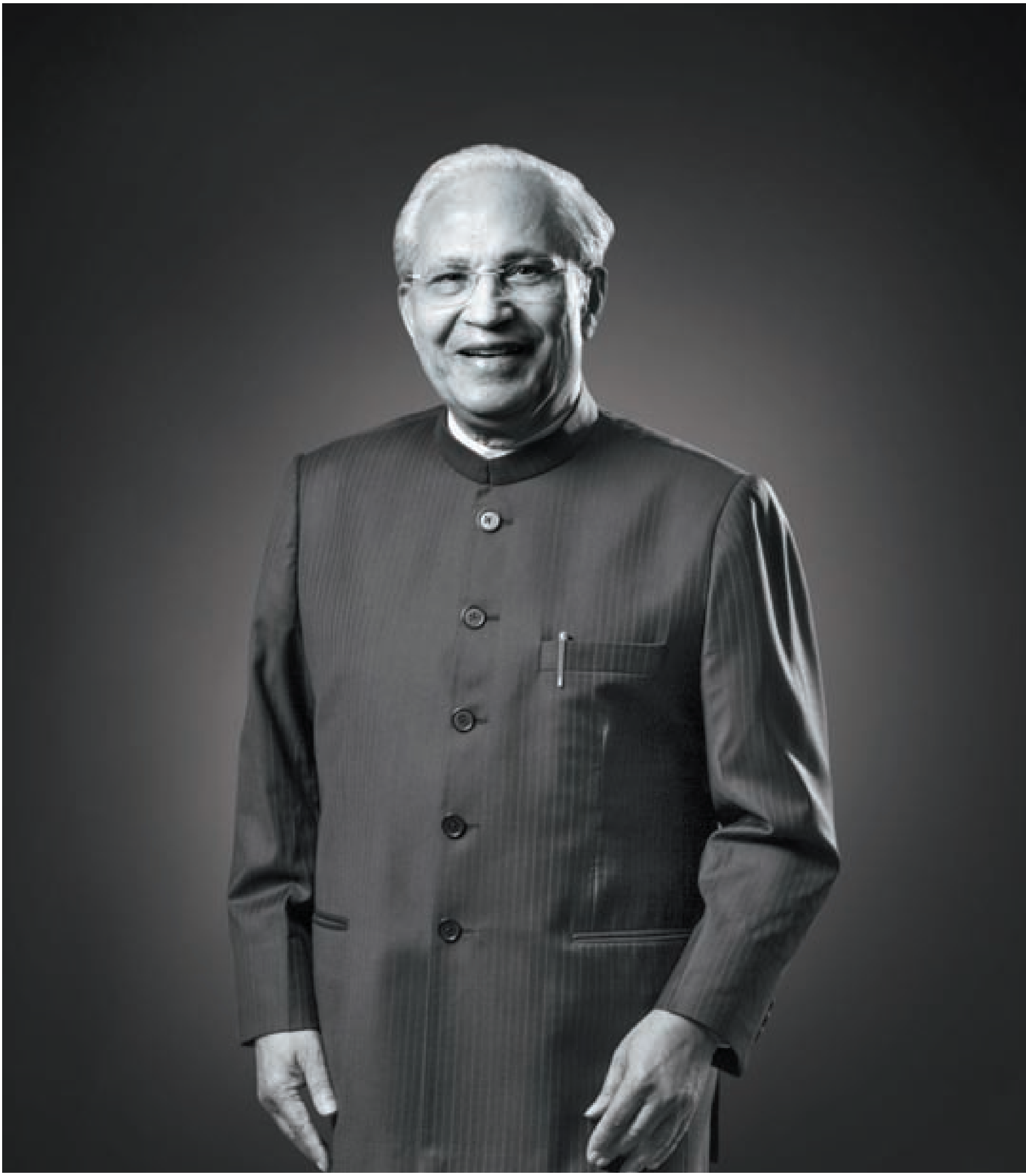
Annual Report 2013

There is only one reason why we exist; to treat disease, to heal and enrich human life. The bottomline, then, is just one.

Happiness.

Dr. Desh Bandhu Gupta, Founder & Chairman, Lupin Limited

THE BOTTOMLINE IS HAPPINESS



My Dear Shareowners,

As a young entrepreneur, I was always driven by ideas that would help improve people's lives, which is what led me to set up Lupin in 1968. Lupin embodies my vision to fight life-threatening diseases by manufacturing drugs of the highest social priority and quality medicines at affordable prices. It personifies the deep inter-connect between what we do and what society needs.

I am proud to say that today Lupin develops and manufactures drugs with the objective to treat disease, to heal and enrich human life. The better we do this, the better we are able to serve the community, the happier we are able to make people. As a result, happiness is not a business by-product, it is the critical bottomline of all that we have ever done and will continue to do at Lupin.

This overarching bottomline is the sum of all that every Lupinytt works towards at every level, function and location of our business, globally.

Some would measure our success by our leadership credentials, growth in revenues, profits, market shares, customer service records and market capitalisation. We, at Lupin, measure it by looking at how many new products and technology platforms we develop, how many lives we touch, how we make quality medicines more accessible and affordable to the common man globally. This is our index of success and happiness.

My vision for Lupin, from ₹ 5000 to USD 5 billion in 50 years, is but the beginning for a bigger more pertinent goal, a happier tomorrow.

Best Wishes,

Dr. Desh Bandhu Gupta
Founder and Chairman
Lupin Limited

CORPORATE INFORMATION

DIRECTORS

Dr. Desh Bandhu Gupta, *Chairman*

Dr. Kamal K. Sharma, *Managing Director*

Mrs. M. D. Gupta, *Executive Director*

Ms. Vinita Gupta

Mr. Nilesh Gupta, *Executive Director*

Dr. Vijay Kelkar

Mr. Richard Zahn

Mr. R. A. Shah

Dr. K. U. Mada

Mr. Dileep C. Choksi, *Additional Director*
(w.e.f. October 23, 2012)

Mr. D. K. Contractor
(up to October 23, 2012)

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. Dileep C. Choksi
(w.e.f. October 23, 2012)
Mr. D. K. Contractor
(up to October 23, 2012)

INVESTORS' GRIEVANCES COMMITTEE

Dr. Vijay Kelkar, *Chairman*
(w.e.f. October 23, 2012)
Dr. K. U. Mada
Mr. D. K. Contractor
(up to October 23, 2012)

REMUNERATION COMMITTEE

Dr. K. U. Mada, *Chairman*
Mr. R. A. Shah

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
JP 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

Dr. Rajender Kamboj
President - Novel Drug Discovery & Development

Mr. Ramesh Swaminathan
President - Finance & Planning

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. Paul McGarty
President - Lupin Pharmaceuticals Inc., USA

Dr. Sofia Mumtaz
President - IPMG

Mr. Sunil Makharia
Executive Vice President - Finance

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

Dr. Dhananjay Bakhle
Executive Vice President - Medical Research

Mr. Rajendra B. Chunodkar
Executive Vice President - Technical

Mr. R. S. Raghav
Executive Vice President - Marketing & Sales

Mr. Vilas S. Satpute
Executive Vice President - API Manufacturing

Mr. Ganadish Kamath
Executive Vice President - Corporate Quality Assurance

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.
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Fax: + 91 22 6640 2130
www.lupinworld.com

E-mail

info@lupinworld.com

KEY CONTACTS

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Tel: +91 98 20 338 555
Email: shamshergorawara@lupinpharma.com

Rajiv Pillai
Head – Investor Relations
Lupin Limited
Tel: +91 98 20 552 083
Email: rajivpillai@lupinpharma.com

BOARD OF DIRECTORS

Dr. Desh Bandhu Gupta, *Chairman*

Dr. Kamal K. Sharma, *Managing Director*

Mrs. M. D. Gupta, *Executive Director*

Ms. Vinita Gupta

Mr. Nilesh Gupta, *Executive Director*

Dr. Vijay Kelkar

Mr. Richard Zahn

Mr. R. A. Shah

Dr. K. U. Mada

Mr. Dileep C. Choksi, *Additional Director (w.e.f. October 23, 2012)*

Mr. D. K. Contractor, *(up to October 23, 2012)*

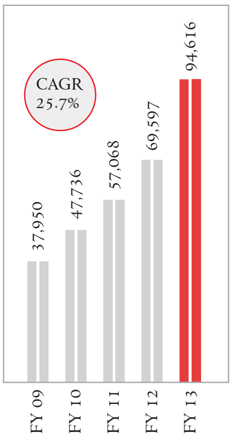
AWARDS 2012-13

- The National Stock Exchange included Lupin in the Standard & Poors CNX NIFTY Index
- The Economic Times 500 – India's 10 Most Resilient Companies 2012
- Great Place to Work – Best Companies to Work for, 2012, India
- Forbes India, Business Leadership Awards, Top 5 CEOs – Private Sector, 2012, Dr. Kamal K. Sharma
- The Inaugural Ernst & Young Family Business Award 2012, US, Ms. Vinita Gupta
- Ernst & Young Entrepreneur of the Year® 2012 Award winner in Maryland, Ms. Vinita Gupta
- CNBC TV 18 Best Performing CFO in the Pharma & Health Care sector, Mr. Ramesh Swaminathan

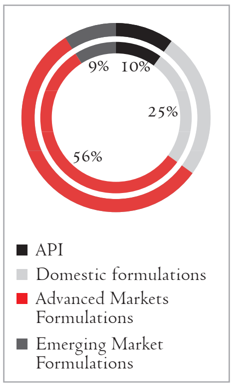
FINANCIAL HIGHLIGHTS

Business analysis – Revenue and Profitability

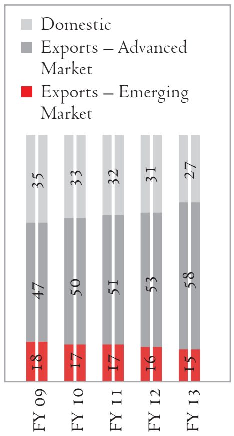
Net sales
(₹ million)



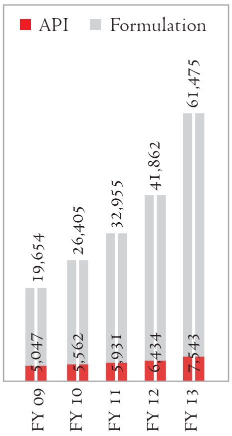
Revenue composition
(%)



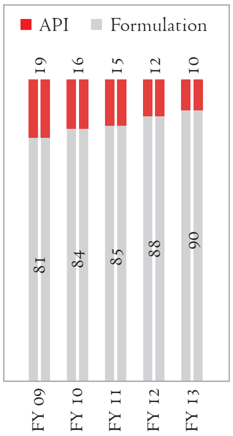
Geographic break down
(% contribution)



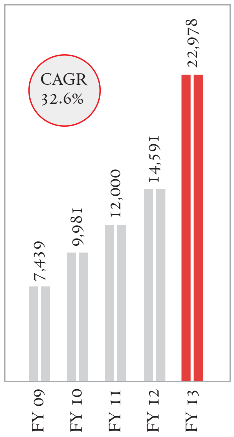
Exports
(₹ million)



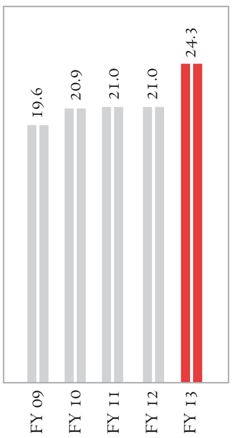
Business mix
(% contribution)



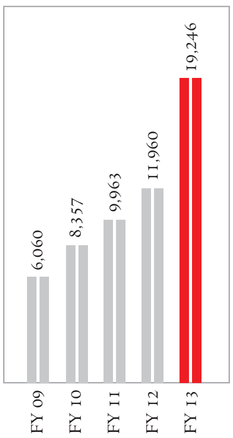
EBITDA
(₹ million)



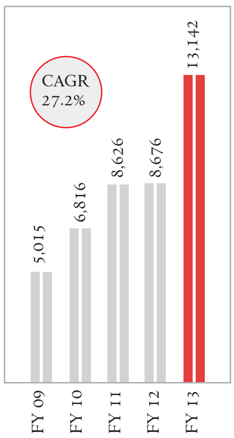
EBITDA margin
(%)



Profit before tax
(₹ million)

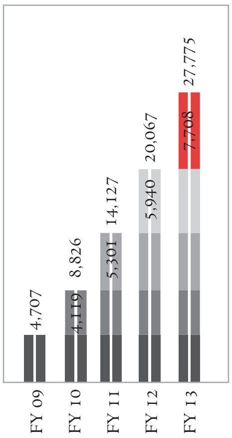


Net profit
(₹ million)

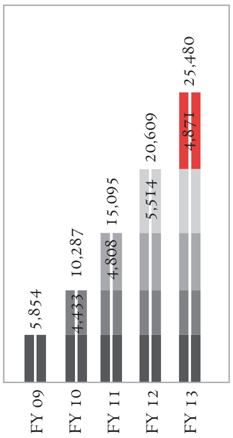


Business critical investments

Cumulative R&D spend
(₹ million)

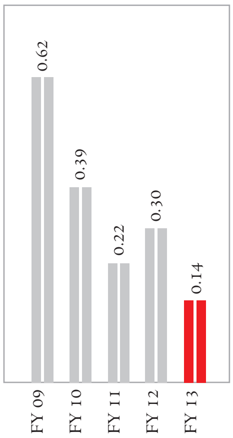


Cumulative Capex
(₹ million)



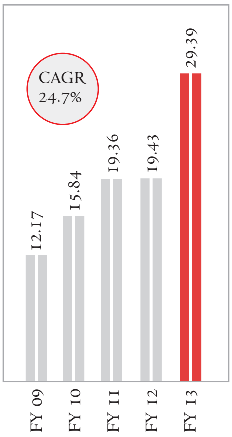
Financial leverage

Debt equity ratio

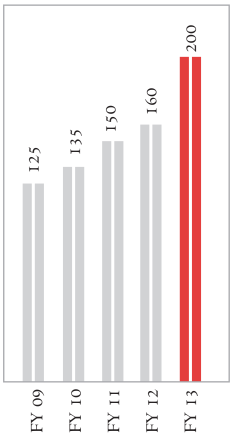


Shareholder value growth

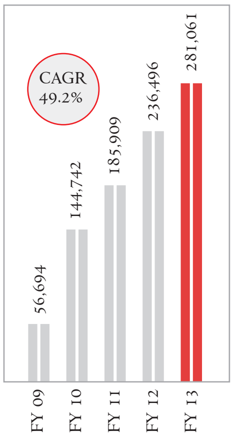
Earning per share
(₹)



Dividend
(%)



Market capitalisation
(₹ million)



8th
Largest generics player globally by market capitalisation

3rd
Largest Indian Pharmaceutical company

5th
Largest and fastest growing generics player in the US by prescription

7th
Largest generics player in Japan

THE BOTTOMLINE IS EXCELLENCE

Dr. Kamal K. Sharma
Managing Director

Dear Shareholders,

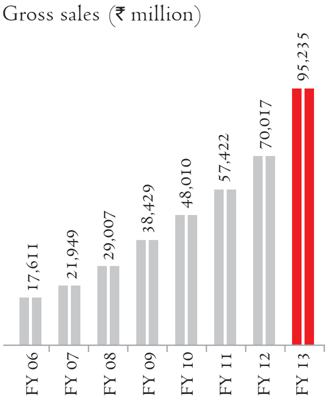
It has been another strong year for us. A year, where we continued to maintain and grow our leadership positions in all markets of direct operations. A year of heightened activity where we launched new products, expanded our product pipelines and consolidated our operations globally. This has not only helped us create one of the most differentiated, quality businesses but also arguably one of the best and most exciting companies in the pharmaceutical industry globally.

Growth and Performance at Lupin is a never - ending quest for Excellence, engineered to deliver value; value that has enabled 8 years of sustained growth and leadership. At Lupin, excellence is derived from a culture that is engineered towards creating value across the entire organisation eco-system through perceptible differentiation. We have focused on three distinct elements of business for creating a differentiated paradigm – products, processes and people. Operational excellence and incremental innovation are common threads that run across our entire fabric and help us translate conceptual constructs into value - enhancing outcomes. An approach, that has not only made the Company one of the most innovative from a research and technical operations standpoint, but also an employer of choice. An Excellence ethic, that has helped Lupin plug in some of the best growth numbers in the pharmaceutical world; a CAGR of 27.3% in Gross Sales, 33.9% in EBITDA and 33.6% in Net Profits for the last 8 Years. Sustained performance, that has made the Company the 8th largest generics pharmaceutical company globally by market capitalisation and the 3rd largest Indian pharmaceutical company.

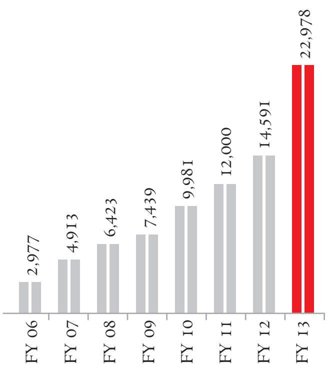
Trends & Performance

Over the last 5 years, the global pharmaceutical environment has become increasingly volatile and challenging due to pressures created by drying research pipelines which has led to hyper-competition, the blurring of boundaries between erstwhile innovator companies and generic players as they rush to compete in each other's spaces. Higher input costs, the high cost of bringing products to the marketplace coupled with gradual decline in realisations is also affecting financial viability. Increased regulatory rigor, discipline therein and market diversity have also led to increased complexity in terms of business opportunities that one chooses to address; the choice of markets, the business and the product mix therein.

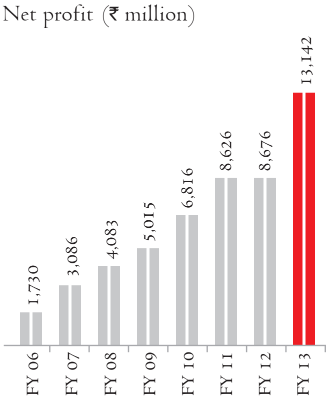
Gross sales (₹ million)



EBITDA (₹ million)



Net profit (₹ million)



The momentum of over 5 years of sustained growth is a reflection of Lupin's pinpointed focus on consolidating and building on our leadership credentials in our key markets and continued expansion of market share therein. I am pleased to report that all our businesses continue to unlock value on a sustained basis with robust performance being delivered by US & Europe, India, Japan and South Africa.

In FY 2013, the Company's Net Sales grew by 35.9% to ₹ 94,616 million (USD 1.74 billion) up from ₹ 69,597 million the previous year. EBITDA margins increased to ₹ 22,978 (USD 423 million) million from ₹ 14,591 million in FY 2012, an increase of 57.5%. Net Profit grew by 51.5% to ₹13,142 million (USD 242 million) as compared to ₹ 8,676 million in FY 2013.

Advantage Lupin

Over the last decade, Lupin has successfully ring-fenced its business by creating competitive advantages which have become distinctive differentiators. We have done that by calibrating our choice of markets; entry into new geographies, new therapies, the business and product mix; not to mention a rigorous attention to input costs in a never - ending quest for better efficiencies.

13th

largest global generics player by revenue

We have innovated with our research programs in terms of the areas of research, technology platforms and drug delivery capabilities that we chose to develop and the very nature of filings for key markets. The creation of an advanced biotechnology program and the expansion of a truly global Novel Drug Discovery and Development pipeline have added another dimension to the Company's readiness to reinforce sustainability in the long-term. The capacity to invest in incremental innovation and the tenacity to remain invested for the long-term, backed with the discipline to meet regulatory rigor consistently has become a key differentiator.

At Lupin, we have created and nurtured a value driven, ever-evolving people ecosystem. A business ecosystem that is now excelling at every level serving as an invaluable catalyst enabling it to consistently outpace and outperform the industry across all key markets. I believe we are now entering a new orbit of growth; from being a global branded generics leader to fast emerging as a specialty pharmaceutical major globally.

Sincerely,

Dr. Kamal K. Sharma
Managing Director
Lupin Limited

₹ 94,616
million in revenue

₹ 22,978
million EBITDA margins

₹ 13,142
million Net Profit

THE BOTTOMLINE IS LEADERSHIP

Vinita Gupta
Group President & CEO, Lupin Pharmaceuticals Inc.

Lupin's achievements in US and Europe continue to fuel its rapid ascension to leadership position within the global pharmaceutical industry. These markets remain the major contributors to the Company's global revenues and overall profitability.

Lupin's high growth performance is a direct result of the Company's consistent focus on the creation of a high-value pipeline and its successful commercialisation, backed up by a seamless manufacturing and supply chain operation.

The journey over the past 10 years has been very exciting and rewarding. LPI started from scratch 10 years ago and is now over USD 700 million in revenues. We have grown in scale, breadth and depth. This past year, we focused on building systems and processes, expanding our management bandwidth and most importantly maintaining our entrepreneurial culture. We brought important high quality, affordable medicines to the market that fuelled the growth of our business. With a significant pipeline in hand, continued investments to expand our technology capabilities and aspiration to grow our business through organic efforts and acquisitions, we are just getting started.

US & Europe Formulation sales contributed 42% to the Company's overall consolidated revenues for FY 2013. Formulations sales for US & Europe grew by 47% to ₹ 40,051 million during FY 2013 up from ₹ 27,278 million in FY 2012. For the fourth year running, Lupin remains the 5th largest and fastest growing top 5 generics player in the US (5.3% market share by prescriptions, IMS Health December 2012). The European business grew by 19% during FY 2013.

United States

Headquartered in Baltimore, Maryland, the Company's US subsidiary, Lupin Pharmaceuticals, Inc. (LPI), is dedicated to delivering high-quality, branded and generics medicines trusted by healthcare professionals and patients across the US. LPI has built strong relationships in the US Retail channel with a solid reputation as a reliable supplier of quality generics. In addition, LPI continues to develop and grow a meaningful brand franchise amongst US Pediatricians and Primary Care Physicians with a 170 strong specialised field sales force promoting its entire product line. Strong commercialisation capabilities

5th
largest generics player in the US (by prescriptions)

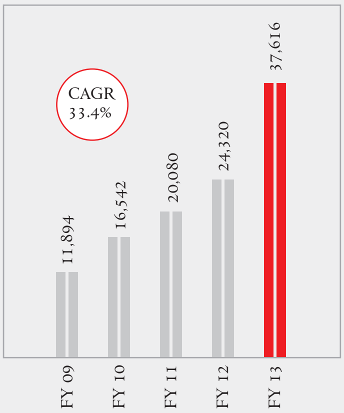
7th
largest player by dispensed prescriptions in the US

47%
formulation sales growth in the US and Europe

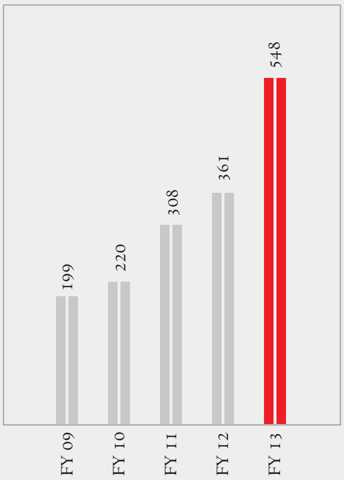
42%
US & Europe contribution to global revenues in FY 2013

USD 80
billion value of market opportunity being addressed by Lupin's generics pipeline for US

Formulation sales in the US
(₹ million)



US Generics Revenue
(USD million)



for the branded and the generics market position LPI to take full advantage of emerging opportunities arising out of the Company's growth strategy built around high quality niche products, world-class research, intellectual property, robust manufacturing and nimble supply chain capabilities. The Company's US revenues grew by 54% to ₹ 36,830 million during FY 2013, up from ₹ 23,930 million in FY 2012. The Brands business contributed 21% of total US sales whereas the Generics business contributed 79% during FY 2013.

The Company aims to strengthen its branded portfolio with the launch of additional products developed and filed with the US FDA from its own pipeline as well as through strategic brand acquisitions.

US Generics Business

LPI remains the 5th largest generic player in the US (by prescriptions) and also the fastest growing generic pharma player in the Top 5 for the fourth year running, growing at 6.3% (IMS Health, National Prescription Audit, December - 2012).

Outlook

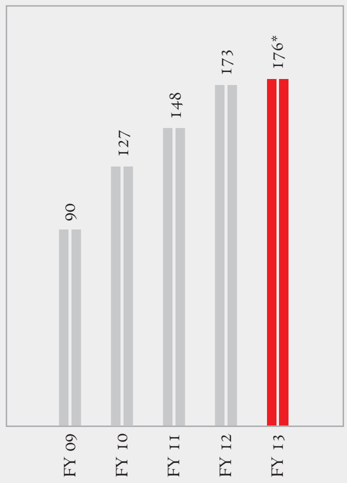
US healthcare spending at 17% of a USD 15 trillion GDP is the second highest in the world. US generics account for 14% of total US spending, making it the world's second largest generics market. Over the last decade, the US government implemented definitive steps to enhance healthcare spending effectiveness. Through the Patient Protection and Affordable Care Act, the country intends to bring 30 million more Americans under health insurance through the increased use of generics. The result is that US generics spending is expected to nearly double by 2016 (to more than USD 80 billion from ~USD 46 billion currently) as per IMS estimates.

Over the last few years, LPI has built one of the best generic products pipeline for the US market addressing a market opportunity valued at over USD 80 billion. Cumulative ANDA filings with the US FDA stood at 176 with the company having received 78 approvals as of 31st March, 2013. This is in spite of the fact that the Company withdrew 16 ANDAs during the year after re-evaluating their business potential.

Dispensed prescriptions - US Industry - Unbranded Generics, MAT December 2012

	MAT September 2012		MAT December 2012		
Leading corporations	Rank	% Market share	TRx mn	% Market share	% Growth
US industry		100%	3,137	100.0	7.2
1. Teva	1	15.6	498	15.9	2.0
2. Mylan Labs,Inc.	2	11.9	365	11.6	0.8
3. Actavis U.S (Watson)	3	7.4	290	9.3	3.4
4. Sandoz (Novartis)	4	6.3	187	6.0	-17.1
5. Lupin	5	5.3	165	5.3	9.3

ANDA pipeline



* Company withdrew 16 ANDAs during the year after re-evaluating their business potential

LPI is best characterised by its ability to achieve leading market share in almost all of the products it has launched. 24 out of the 46 generic products marketed by the Company in the US rank No. 1 by market share and as many as 37 of these 46 are in the Top 3 by market share (IMS Health – March 2013). We have focused on increasing our market shares by executing well, by making sure that we are constantly engaged with our trade partners and customers and continuously strengthening our supply chain by creating efficiencies that ensure a cutting-edge response time.

During the year, the Company filed 21 ANDAs for the US market and received approval for 14 ANDAs from the US FDA. The Company has a pipeline of 116 products (including products approved but not launched) that address a market opportunity of close to USD 80 billion. Of these, 29 ANDAs are first-to-file opportunities addressing a market size of close to USD 15 billion. The Company has 12 exclusive first-to-file opportunities addressing a market opportunity valued at around USD 2 billion.

The US Generics business in FY 2013 can be best summarised as a year of milestones. The Company surpassed USD 500 million in revenues from its Generics business for the first time, clocking in growth of 70%. New launches contributed 42% of the US generics revenues. Key launches included products like Ziprasidone

21%

revenue contribution of the US Bwranded business in FY 2013

24

Lupin's products ranked No. 1 by market share in the US (out of a basket of 46)

42%

revenues from new product launches in FY 2013

Goa

and the generic for Tricor®. We made further inroads into the Oral Contraceptives (OC) segment in the US by launching 4 OC products, having received approvals for 7 OC from the US FDA. The Company successfully litigated against Shionogi and re-launched its generic Fortamet® in the US market.

US Branded Business

LPI maintains a balanced approach to the US market by participating in both the Brand and the Generic market. In FY 2013, LPI continued to expand the Suprax® franchise with the launch of Suprax® chewable tablets. Additional line extensions of a more concentrated suspension form and a capsule form have been approved and planned for launch in FY 2014.

During the year, the Company put in place a unique set of strategies with a focus on maintaining market share for its brand Antara® (Fenofibrate Capsules 43mg and 130mg) as one of its competitors prepared to launch a generic variant of the product in February, 2013. Leveraging LPI's capabilities, the Company has been able to maintain a significant share of the market with its brand and authorised generic products.

LPI's strategy is to prudently invest in its specialty sales force targeting Pediatricians and select high-prescribing Primary Care Physicians. The Company aims to strengthen its branded portfolio with the launch of additional products developed and filed with the US FDA from its own pipeline as well as through strategic brand acquisitions.

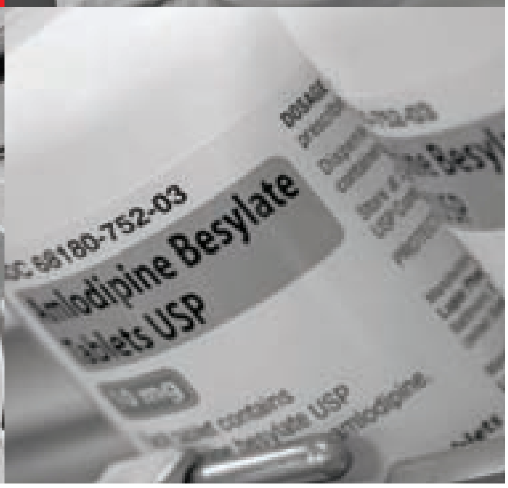
Europe

The EU finished dosage business recorded Net Sales of ₹ 2,356 million during FY 2013 as against ₹ 1,975 million in the previous year, a growth of 19.3%. The Company continues to focus on building its product offerings in the EU market and forging deeper

	MAT September 2012		MAT December 2012		
Leading corporations	Rank	% Market share	TRx mn	% Market share	% Growth
US Industry		100%	4,074	100.0	1.2
1. Teva	1	13.6	564	13.9	1.6
2. Mylan Labs,Inc.	2	9.0	369	9.1	0.9
3. Actavis U.S (Watson)	3	6.2	322	7.9	1.9
4. Novartis (Inc Sandoz)	4	6.1	252	6.2	-15.2
5. Endo Pharma Inc	5	4.1	172	4.2	5.7
6. Pflzer (Inc Greenstone)	6	4.5	170	4.2	-23.5
7. Lupin	7	4.0	166	4.1	6.3

Dispensed TRx US Industry - Total Industry, MAT December 2012 - *Source: IMS Health, National Prescription Audit, December 2012*

Over
USD 700
million in revenues
within 10 years



relationships with select partners in the EU. The EU partnered business saw a slew of new launches during the year and grew by 20.4% during FY 2013. The Company successfully launched new products like Tramadol + Paracetamol tablets, Perindopril + Indapamide tablets and Ketoprofen tablets in the EU market through partners. Existing products like Levetiracetam tablets, Desloratidine tablets and Trimetazidine tablets clocked in healthy growth during the year. The Company continued to focus on building its pipeline in the UK and German markets through its own Direct to Market initiative. The Company filed 10 marketing authorisation applications during the year and received approvals for 10 applications during the year. The Company launched a total of 10 new products in Europe during FY 2013. Cumulative filings with European authorities now stands at 53 with 38 approvals to date.

THE BOTTOMLINE IS PASSION

Shakti Chakraborty
Group President – India Region Formulations & CIS

We are proud to be an Indian company and India is a market of strategic focus. It remains Lupin's 2nd largest business by revenues, a market which is at the very heart of the Company's growth plans.

Lupin brings to the Indian Pharmaceutical Market (IPM) a distinctive differentiator – our Passion. At Lupin, this passion has been reflected in our ability to counter industry challenges with a go-getting spirit; the ability to challenge a regulated, hyper-competitive fragmented market environment by providing our customers and the common man with an ever-widening product choice of quality, affordable medicines.

The Drug Price Control Order and the evolving regulatory framework continue to pose challenges. The market continues to become more fragmented, regionally diverse and localised. Over the years, Lupin has countered these challenges in the Indian Pharmaceutical Market by

- Continuing to create new markets in new therapy areas as opposed to having a singular focus on just growing market shares in existing market spaces
- A singular focus on recalibrating our product mix by adding new products; moving from acute to chronic therapy segments
- Focusing on offering new innovative products
- In-licensing products and entering into strategic alliances with leading global players with the objective to widen our product basket and address unmet needs
- Consistently focusing on creating and developing a specialty product marketing and sales force comprising of talented and experienced professionals to cater to the complex needs of niche market spaces; reinforced by structured training inputs
- Leveraging reach and scale; the Company has combined the benefits of scale (its nationwide presence) with a short mind-to-market cycle that makes it possible to address local opportunities with speed and effectiveness

The passion which we have nurtured and grown, is reflected in the fact that the Company's India formulations business grew by 23%, clocking in revenues of ₹23,840 million during FY 2013, as compared to ₹ 19,374 million in FY 2012. The business has grown at a CAGR of 20.2% over the last five years.

The Company's product and therapy segment mix for the IPM coupled with effective marketing has resulted in Lupin emerging as not only a market leader

2.8%
Lupin's overall market share of the IPM (as per IMS TSA MAT, March, 2013)

5,200
specialty field force in the Indian Pharmaceutical market

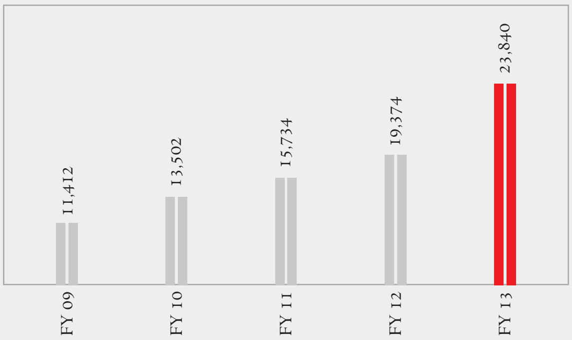
23%
business growth over FY 2012

25%
contribution to consolidated revenues in FY 2013

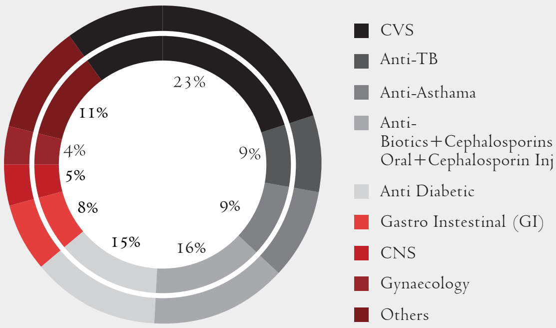
8
products which were first to be introduced in India in the last four years

37
products in-licensed in the last four years

Domestic formulations (₹ million)



IRF therapeutic contribution (%)



but more importantly, one of the fastest growing players in high growth therapies like Cardiology, Central Nervous System (CNS), Diabetology, Anti-Asthma, Gynaecology, Anti-Infective, Gastro Intestinal and Oncology.

The Company demonstrated a distinctive capability to emerge among leading players in niche therapy areas within a few years of entry. For instance, the Company emerged as the third largest player in India's respiratory (anti-asthma) segment even though it entered the space less than five years ago; it is today the fifth largest player in diabetes even though it entered this segment in 2008. The Company entered the cardiology segment in 2003 and has within a decade emerged as the third largest player in the segment too. We entered the Nephrology segment in 2010 and have already emerged as the third largest Indian player within the space.

Over the last decade, the Company has transitioned from a complete dependence on acute therapies to generating more than half of our revenues (on a significantly enlarged revenue base) from the higher value and more frequently used chronic therapies.

In the last few years, the Company has introduced 37 in-licensed products, of which eight were the first to be introduced in India. During FY 2013, the Company launched four in-licensed products.

Going ahead, the Company intends to emerge as a Top 5 specialty pharmaceutical powerhouse within the Indian Pharmaceutical Market.

Proportion of revenues derived from the segment	Acute segment	Chronic segment
2012- 2013	37%	63%
2007-2008	56%	44%
2005-2006	69%	31%

Therapy Segments & Key Divisions

Pinnacle Cardiology

The largest division within Lupin's India formulations business grew by 20% during FY 2013. In keeping with its track record of launching first-in-class products, Lupin expanded its association with the American College of Cardiology (ACC) by creating training and accreditation programs for its field force covering not only inputs on the latest developments in the Cardiology space but by also ensuring that its marketing and sales force receive the ACC Industry Training Graduate certification from ACC.

Pinnacle Blue Eyes

The division continues to gain traction in the ophthalmology market and is building up a comprehensive product portfolio. The division entered into an exclusive collaborative knowledge-sharing arrangement with the American Academy of Ophthalmology to offer online scientific content to Indian Ophthalmologists.

Lupin Diabetic Care

It is estimated that by 2030, every fifth diabetic in the world is likely to be an Indian. The Lupin Diabetes Care division was set up as a response to this emerging reality five years ago. Since then it has not only built a sizeable product portfolio to fight the disease but has also emerged as the fourth largest player in the participated market, growing by 25% in FY 2013. Lupin's Gluconorm continues to be the Company's largest brand in the segment. The Division continues to manage the International Symposia on Diabetes, a leading scientific forum.

Lupin Metabolics

This division addresses the Company's business in metabolic diseases like hypertension and obesity. Lupin Metabolics continues to grow and is poised to emerge as a leader in the Indian Metabolics segment following the introduction of new products in the area of Endocrinology and Metabolic care. The division is also responsible for promoting and distributing Eli Lilly's Insulin range of products in the Indian market.

Lupin CVN

Set up in FY 2010, Lupin CVN is responsible for Lupin's business in the Nephrology and Urology segments. The division has consistently outperformed the market and trebled sales in the last three years.

Lupin

The Lupin division continued to lead the country's Anti-Tuberculosis segment with a 44.7% market share. Lupin's Anti-TB business grew 5.3% in FY 2013. Lupin takes pride and responsibility in its role as a leader in the Anti-TB space, an area of the highest national priority.

Lupin Gynaecology

Lupin's Gynaecology business was ranked third in the participated market of IVF+Gynaec portfolio.

The division offers a wide basket of women's healthcare products including an Obstetrics and Gynaecology range, IVF/Anti-Infertility products and Nutrition product preparations. The division's alliance with the Royal College of Obstetrics and Gynaecology continues to offer Indian Gynaecologists and Obstetricians access to the latest medical journals and scientific information.

Respira

The Lupin Respira division covers the Company's presence across the Asthma, Allergy, COPD and Respiratory Tract Infections segments. The division has sustained overall market share growth and growth in its leading brands. Lupin continued to be ranked third in the Indian Anti-Asthma market (IMS TSA MAT 2013). Lupin collaborated with the American College of Chest Physicians to enhance awareness in respiratory disease management through symposia and workshops conducted across the country.

Endeavour

Lupin's Endeavour division is focused on the Anti-Infective, Gastroenterology and Osteoarthritis businesses and acute therapy areas like Antibiotics and Pain Management. The Endeavour business grew by 23% in FY 2013, outperforming the participated market, whic grew by 7% (IMS TSA MAT March 2013). The Gastroenterology segment grew 26% as against the participated market growth of 13% (IMS TSA March 2013).

Maxter

Lupin's Critical Care division grew 21% during FY 2013, a result of its focus on introducing high-end injectables and other life-saving medicines. Lupin Maxter continues to partner with the Infectious Disease Society of America, one of the world's leading societies in the Intensive and Critical Care segment to offer Indian doctors with the latest scientific breakthroughs and journals.

Lupin Mindvision

In 2007, Lupin entered the area of Neuropsychiatry by setting up Lupin Mindvision. Lupin is ranked 8th in the CNS segment, having grown 16% in FY 2013 as against the market growth of 11% (IMS TSA MAT March 2013). The division registered prescription growth of 19% in Neurology (ORG ESPRIT Rx data – MAT March 2013). Cognistar (Cerebroprotein Hydrolysate) was one of the key launches of FY 2012 for the management of stroke, traumatic brain injury and dementia. Cognistar sales crossed ₹ 200 million in just 18 months and was rated as the best launch in the CNS segment within the IPM.

Lupin Ikonic

The World Health Organisation has indicated a rise in the incidence of neurological and psychiatric disorders in India owing to increased stress, sedentary lifestyle and chronic disorders (diabetes and cardiovascular). Lupin launched one more CNS division named Lupin Ikonic in FY 2013 to progressively invest in research and development and in-licensing in newer therapies like Neurological Disorders. Lupin Ikonic will cater to chronic disorders like epilepsy, migraine, brain trauma, neuropathic pain, anxiety and stroke.

5,200

Specialty field force in the Indian Pharmaceutical market

Lupin's growth versus the Indian Pharmaceutical Market (ORG IMS, March 2013)

Therapeutic segment	Lupin growth %	Market growth % (IMS)
CVS	21.0%	12.2%
Anti-Infective	17.8%	7.4%
Respiratory	13.2%	4.4%
Anti-Diabetic	47.7%*	18.6%
Gastrointestinal+Hepatoprotective	27.7%	12.8%
Neuro/Central Nervous System (CNS)	24.6%	11.0%
Pain/Analgesic	29.1%	8.6%
Nutraceutical	25.6%	10.7%
Gynaecology	13.8%	6.7%
Anti-TB	5.3%	2.5%

*Growth of Anti-diabetes portfolio is inclusive of Huminsulin

THE BOTTOMLINE IS DEPTH

Vinod Dhawan
Group President – AAMLA and Business Development

Lupin's Rest of The World (ROW) business is not only the 3rd largest contributor to the Company's revenues globally but also the youngest and the fastest growing business within the Company.

Today, the ROW business spans markets across Asia Pacific, Africa, Middle-East and Latin America with leadership and growing business presence in key markets such as Japan, Australia, South Africa and the Philippines.

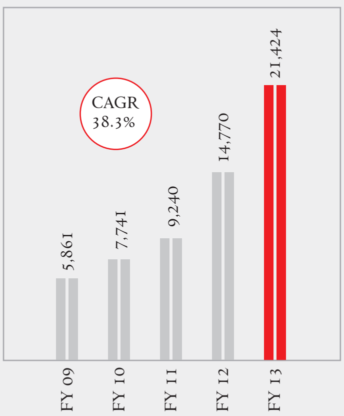
IMS Health predicts that these markets will see their pharmaceutical spending rise from USD 154 billion in 2010 to over USD 300 billion by 2015 registering even more growth than the advanced markets of US and Europe.

Today, the Company is consolidating its presence to build depth within these markets by drawing on and leveraging our global research, manufacturing and supply chain strengths. By depth, we mean building prudent, well-planned, localised strategies that would not only extend Lupin's presence in these markets but ensure long-term growth by

- Growing and building our existing markets. Lupin has enjoyed a good track record of building leadership credentials in markets like Japan and South Africa and turning them into growth assets that increase and provide stability
- Balancing our global capabilities and calibrating them to address the right opportunity. Focusing on markets, therapies and products which offer the greatest opportunities to build long-term competitiveness and superior realisations
- Building and implementing development and marketing plans that help identify and address market-specific demands
- Improving operational performance and cost effectiveness

This focus on building depth has resulted in the Company's ROW business clocking in a growth of 45%,

ROW sales (₹ million)



45%
business growth over FY 2012

23%
contribution to overall company revenues in FY 2013

7th
largest generics player in Japan

5th
largest generics player in South Africa

690
products filed for the ROW markets

7
years of uninterrupted business growth

registering revenues of ₹ 21,424 million during FY 2013. The business contributed 23% to Lupin's total consolidated revenues.

We continue to ramp up filings and build the pipeline across key and new markets within the ROW business. With 16 new product filings, the cumulative filings for ROW markets now stand at 690 product applications – a USD 100 billion opportunity over the next 5 years.

JAPAN

During FY 2013, Lupin maintained its upward growth trajectory, clocking in sales of JPY 19,785 million, growing by 39% over the previous year. Lupin, today is the 7th largest generic player in the Japanese market and has over the years, built a strong presence in the Neurology, Cardiovascular, Gastroenterology, Respiratory and Injectables segments.

During the year, the Company also consolidated and focused on integrating I'rom Pharmaceutical Co., Ltd (IP), a niche injectables company that it had acquired during FY 2012. IP has a significant presence in the DPC hospital segment within the Japanese pharmaceutical market. IP is in the business of manufacturing and marketing injectable products, mainly ampoules and bags. The IP marketing and sales team covers roughly about 80% of the DPC hospitals in the country.

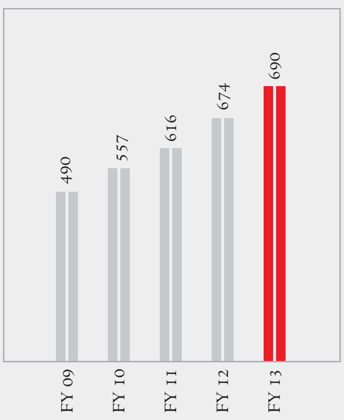
Outlook

The Japanese pharmaceutical market is the second largest pharmaceutical market in the world and is valued at over USD 110 billion. The Japanese generics pharmaceutical industry has witnessed a lot of changes over the last 7 years; developments like incentives announced by government to promote generics, increased competition from international generics players and entry of innovator pharma companies into the Japanese generics space, which led to not only enhawnced opportunities but also heightened activity and competition.

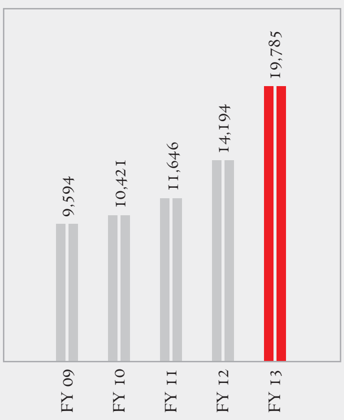
At the end of March 2013, Japanese generics market penetration was at 26.5%, lower than the Japanese government's stated target of achieving a 30% generics penetration by FY 2012. In March, the Japanese government set a new target of 34.3% generics market penetration by the year 2017, which translates into an additional 30-35% volumes getting genericised over the next 4-5 years. In addition, patents for molecules worth USD 14-16 billion are likely to expire by 2017. Both these opportunities translate into significant market opportunities for Lupin.

The Company expects to address these opportunities by investing in creating a robust pipeline of niche products and back-ending manufacturing of a few key products to its plants in India. Lupin expects to file 15 new products in Japan over the next two years. During the year, Lupin received three product approvals of its Goa plant from the Japanese Health Ministry and the commercialisation of these products has already commenced. Lupin also commercialised two APIs in Japan during the year and expects to file close to ten DMFs for the market in the next two years.

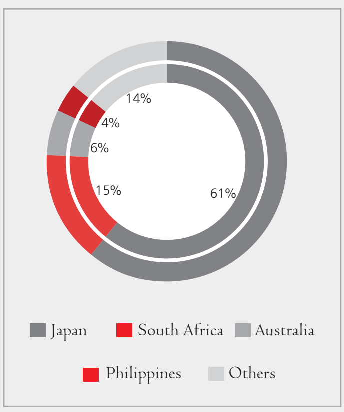
Finished dosages filings (Rest of World)



Japan sales (¥ million)



Key Markets - ROW (%)



Kyowa

- Kyowa reported sales of JPY 13,984 million, growing by 13% during the year
- The Company has been consistently expanding its product portfolio and launched 11 new products including 4 CNS products. Kyowa has a portfolio of 350+ products
- The Company set up a dedicated field force to target CNS hospitals and clinics
- Dedicated key account managers and sales teams to target wholesalers and pharmacies
- Commissioned a new packaging facility at its existing manufacturing location to meet growing market demand

I'rom Pharmaceuticals

- IP posted Sales of JPY 5,833 million for the year ended March 31, 2013
- Added Oncology Injectables to its portfolio
- Strengthened and expanded its sales and marketing team

SOUTH AFRICA

The South African pharmaceutical market is valued at about USD 3.5 billion. The South African generic market grew by 7% in value terms and 5% by volumes during FY 2013. Lupin's South African subsidiary Pharma Dynamics (PD) recorded revenues of ZAR 499 million (₹ 3,210 million), registering growth of 26% over the previous year.

As per IMS reports, PD remains the 5th largest generic company and the 14th largest pharmaceutical company in the South African market. Pharma Dynamics emerged as the number one company in the Cardiovascular segment overall. PD maintained its leadership in the prescription segment and has 8 brands that are market leaders and another 12 which are amongst the top 3 brands in their respective segments. PD also focused on growing exports to the larger African markets and continues to make new registrations in neighbouring markets; 50 products are currently under registration.

During the year, the company launched 10 new products and remains focused on building and growing into the CNS & OTC segments within the South African market. Lupin's planned efforts to move production to its manufacturing facilities in India continues with an additional 4 products being filed by the Company.

AUSTRALIA

The total Australian Pharmaceutical market is valued at USD 13.5 billion. The Generics market is estimated to be USD 2.2 billion, growing at approximately 8%. Lupin operates in the Australian market through its subsidiary Generic Health Pty Ltd. Over the years, Lupin has focused on the creation of a robust product portfolio, increasing market depth and reach, entering new therapy segments and acquiring brands to make inroads into the Australian market. These strategic initiatives enabled Generic Health to record revenues of AUD 24 million (₹ 1,367 million) during FY 2013, clocking in a growth of 106% over the previous year.

FY 2013 was a hallmark year for Lupin in Australia as it was also the first year when Generic Health turned EBITDA-positive. During the year, Lupin increased its stake in Generic Health to 91.04%.

PHILIPPINES

The Philippines pharma market is valued at USD 3.3 billion and grew by 4.6% for FY 2013 (IMS Health). Lupin's Philippines subsidiary Multicare Pharmaceuticals (Multicare) continues to outpace the market, having grown 30%, clocking in revenues of Php 659 million (₹ 859 million) during FY 2013 as compared to Php 597 million (₹ 663 million) in the last fiscal.

Building depth

The focus on the ROW markets is to build depth – to leverage our research and IP strengths, use our manufacturing muscle, build strategic alliances and make the right inorganic moves to increase our presence and participation in these markets. Lupin has also actively sought in-licensing arrangements and strategic partnerships to enter new segments and grow in these markets.

Lupin continues its efforts to make inroads into the Latin American market. In addition, the Company entered and initiated business in Taiwan during FY 2013. The Company remains committed to further growing its presence in these markets and building depth; a large part of the future growth will come from these markets.

THE BOTTOMLINE IS EFFICIENCY

Naresh Gupta
President – API & Global TB

Active pharmaceutical ingredients (APIs) are the foundation of the pharmaceutical industry and the backbone of Lupin's formulations business.

The global API market continues to grow and is currently valued at over USD 110 billion. Patent expiries in advanced markets like the US and Europe, growth emerging markets and demand for new bio-generic drugs are boosting the growth of the global API industry.

Lupin brings to its API business a distinctive focus. Right from the 1980's, the Company recognised that there were two ways of growing the API business: manufacture a large API product basket, or pick a handful of promising APIs in select therapeutic categories and grow them over the long-term. Lupin consciously chose the latter option and focused on not only building competencies and adding scale in those segments but more importantly, building efficiencies that would make it the undisputed leader in these products of choice. Operational efficiencies built not only with a view to protect market share and improve margins but also to add scale to forge better synergies with our global formulations business. Efficiencies that have enabled us to emerge as one of the most vertically integrated global generic formulations majors.

This focus has ensured that Lupin remains the global leader in therapeutic segments such as Cephalosporins, CVS and the Anti-TB space for more than a decade. The Company remains the undisputed No. 1 globally in Anti-TB products such as Rifampicin, Pyrazinamide and Ethambutol, and Cephalosporins such as Cephalexin and Cefaclor and their intermediates.

FY 2013 was a record year for the Company's API business. The business clocked in revenues of ₹9,498 million in FY 2013. We service some the leading pharmaceutical companies in the world; clients who have stayed with us for over a decade which is a testament to the quality of our products and the depth of our relationships. We continue to add more companies to our growing customer list and have also made rapid inroads into new markets like Latin America, Russia and other East European countries. Add to this, a deeper dive into existing markets like US & Europe

No. 1
in Anti-TB and Cephalosporins segments globally

40%
growth in Institutional business for Anti-TB in FY 2013

10%
contribution to global revenues in FY 2013

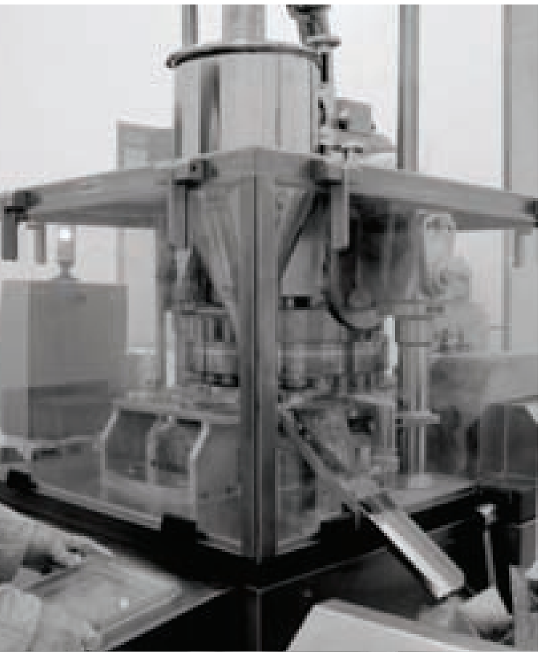
90%
captive consumption - APIs

All

5 API

facilities approved by

US FDA

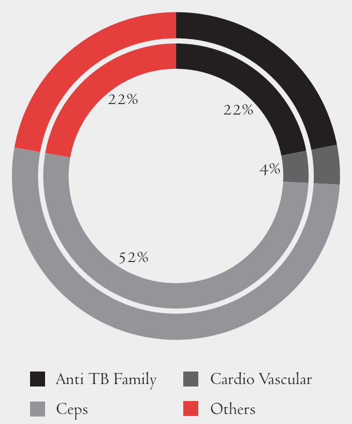


and the API business are slated to be a sustainable growth opportunities for the Company.

The Company continues to grow its value-added finished formulation business, the Principal-to-Principal (P2P) business. Lupin's P2P business leverages our rich expertise in API research and formulation development. The Company has commissioned a fully integrated state-of-the-art API research, formulation development and manufacturing facility and has successfully rolled-out over 10 unique first-to-market products in India. In FY 2013, the GTB + P2P business grew by 49%.

The Company also consolidated its position as one of the leading suppliers of Anti-TB products to the World Health Organisation's (WHO's) Global Drug Facility. Seven of the company's finished formulations and three Anti-TB APIs were pre-qualified by the WHO during FY 2013. Lupin is the only company to have both its APIs and formulations for TB products pre-qualified by the WHO globally. Lupin's institutional Anti-TB business grew by 40% during FY 2013. The Company stands committed to be a responsible partner in managing the prevention and treatment of tuberculosis in close collaboration with various healthcare institutions.

API – therapeutic contribution



THE BOTTOMLINE IS DIFFERENTIATION

Nilesh Gupta

Group President & Executive Director

Differentiation is the heart of our research efforts at Lupin. We have created a truly unique world-class research program, designed to ensure a sustainable pipeline of high-value opportunities to maximise growth.

A sturdy foundation shoulders towering growth. At Lupin, our Research & Development program has been the key to our sustained growth over the past ten years; growth that has made us one of the most exciting research driven pharmaceutical companies globally; a hotbed of differentiation and innovation.

In looking back at our research efforts, what stands out clearly is that we have always looked beyond the obvious. We have identified opportunities early on and turned them into distinctive differentiated growth drivers, whether it was in the early choices that we made of developing complex APIs or be it in the very nature of our product filings for both advanced and emerging markets; to the therapies that we sought to address; to the brave choice we made in overhauling and expanding our drug discovery pipeline with meaningful targets.

Today, we stand differentiated. The focus that we have built over the past ten years has enabled the Company to successfully adapt to, and understand an ever-changing complex intellectual property environment as well as market conditions, helping us proactively identify new products, technologies and therapy areas that the Company should get into.

Today we are building the future by strengthening our research foundation through prudent investments that position us at the cutting-edge of technology, helping us deliver complex products that very few in the world can.

Headquartered at the state-of-the-art Lupin Research Park in Pune, India, the Company's research program is home to over 1,400 scientists. The Company's global research operations are spread over multiple research facilities in India and Japan.

During FY 2013, the Company invested 7.5% of its net sales in Research & Development and related spends, amounting to ₹ 7,098 million. FY 2013 was a record year in terms of progress made all around, be it our pace of filing DMFs (Drug Master Files) and ANDAs (Abbreviated New Drug Applications), progress in our drug discovery and development program, milestones in our

₹ 27,775
million cumulative R&D spend in the last 6 years

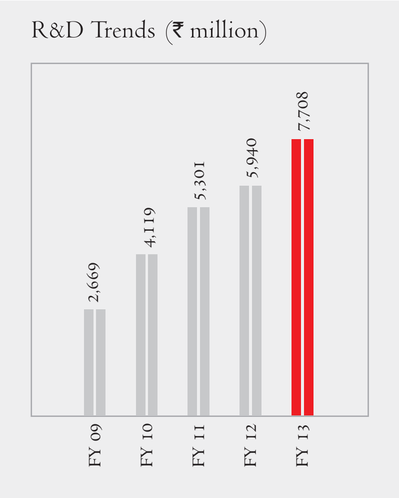
7.5%
R&D expenditure as a percentage of Net Sales

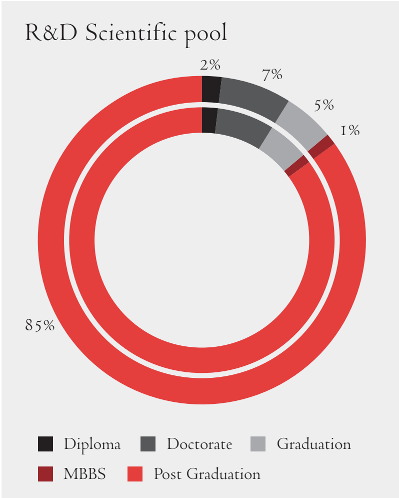
10
pipeline of NDDD / NCE programs in various phases of drug discovery & development

29
first-to-file products

10
pipeline of biosimilar products

1,181
cumulative patents filed as on March 31, 2013





drug delivery program and approvals in our biotechnology program.

Highlights, FY 2013

- Filed 15 DMFs and 21 ANDAs in the US; received approvals for 16 ANDAs including 2 NDAs (New Drug Applications) during FY 2013. The Company also filed 10 MAAs (Marketing Authorisation Applications) with European Authorities, including nine DCPs (Decentralised Procedure Applications)
- Filed two exclusive first-to-files for the generic version of Apriso® and Viread 150mg, 200mg & 250mg strengths®
- Received initial project milestones payments aggregating over USD 6.5 million for two drug delivery products
- Completed Phase-I studies in Europe for a program in the CNS area, which is being advanced to Phase II clinical trial now
- Lupin's biotechnology group received its first marketing authorisation for an oncology product following the successful completion of a Phase III clinical trial in India

Lupin's research and development programs cover the following disciplines:

- Generics Research
  - Process Research
  - Formulations Research
- Drug Delivery Systems
- Novel Drug Discovery and Development (NDDD)
- Biotechnology Research

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. It also focuses on developing differentiated products for emerging markets.

API PROCESS RESEARCH

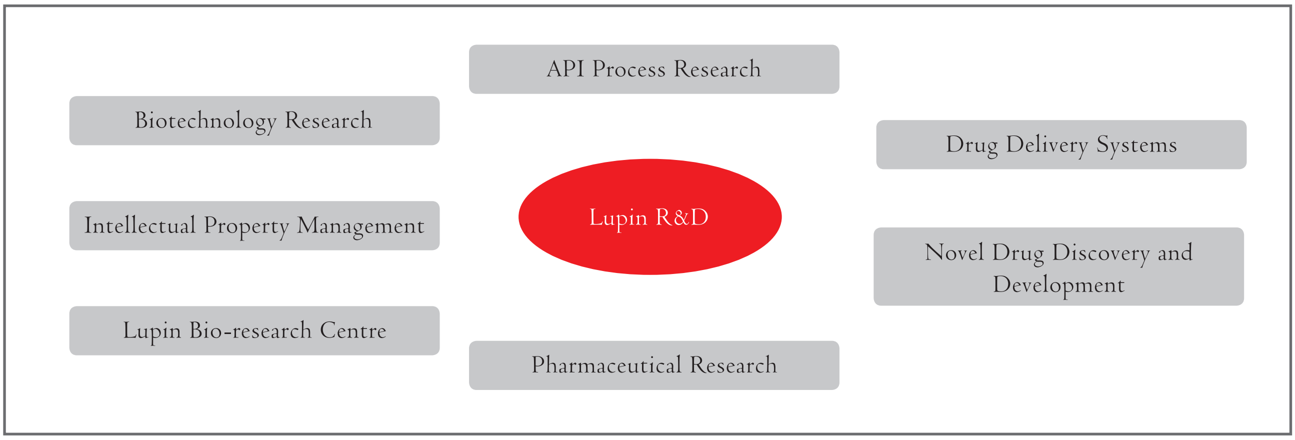
API Process research capabilities are a vital component of the business strategy that provides a sustainable, long-term competitive advantage. The program supports the company's generic research program by developing non-infringing and cost competitive APIs.

Highlights, FY 2013

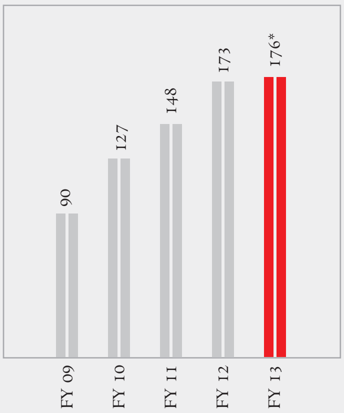
- In FY 2013, the Company filed 15 US DMFs taking the cumulative total to 138 DMF filings. The Company also filed 5 EDMFs, 3 COSs, 2 Australia DMFs and 1 Japan DMF during the year
- Development of specialised and complex APIs like Prostaglandins and a new class of Anti-Retro Virals meant for the US, EU, Japan and other advanced markets

PHARMACEUTICAL RESEARCH

FY 2013 was a landmark year for the Pharmaceutical Research Group

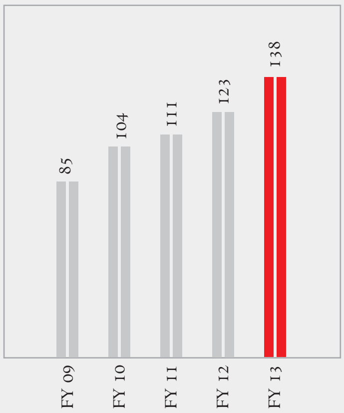


Cumulative ANDA Filings



* Company withdrew 16 ANDAs during the year after re-evaluating their business potential

Cumulative DMF Filings



as it continued in its single-minded focus to create a meaningful pipeline of differentiated products for both advanced and emerging markets. The group focuses on working on difficult to develop products, first to file products and differentiated therapy areas. In the past five years, the group has added therapy areas like Oral Contraceptives, Ophthalmics, Inhalation (MDIs, DPIs and Nasal Sprays) and Dermatology. The Group ensures that its filings are in line with all global regulatory requirements and one of the key initiatives in FY 2013 was adopting processes and procedures in line with the US FDA's Quality By Design (QBD) requirements.

Highlights, FY 2013

- Filed 21 ANDAs with the US FDA and 10 European Union applications
- The cumulative number of ANDA filings with the US FDA now stands at 176, with 78 approvals received to date. This is in spite of the fact that the Company withdrew 16 ANDA's during the year after re-evaluating their business potential
- Cumulative first-to-files opportunities now stand at 29
- Total cumulative filings within the European Union stands at 53, with 38 approvals received so far
- Ramped up filings for key markets like Japan, Australia, India, South Africa and other emerging markets

DRUG DELIVERY SYSTEMS RESEARCH

Lupin's Drug Delivery program focuses on creating and leveraging technologies that provide clinical advantage and patient convenience. The Company has not only successfully out-licensed its drug delivery technologies and platforms but also leveraged them to provide significant product life-cycle advantages to build a differentiated pipeline of branded products.

Highlights, FY 2013

- The team hit initial project milestones resulting in the Company receiving payments of over USD 6.5 million for two products being jointly developed with Medicis Pharmaceutical Corporation. These projects continue to be on track for further development
- The Company filed two 505(b)(2) products in FY 2013 which will help it further its branded offerings in the US

ANALYTICAL RESEARCH

The Analytical Research Group is responsible for ensuring all processes and products transferred to Lupin's global manufacturing operations meet regulatory guidelines. The group is responsible for the development and validation of the right testing methods and systems and ensuring that all development and documentation is in line with regulatory expectations. The Company's Analytical research facility is fully automated and equipped with state-of-the-art technology and instrumentation needed to support a top-notch global 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 characterisation of impurities in APIs and drug products.

LUPIN BIORESEARCH CENTER

The Lupin Bioresearch Center (LBC) located in Pune, India is responsible for conducting bioequivalence studies for Lupin's generic products and branded formulations. LBC also manages out-sourced Bioequivalence studies, clinical end-point studies as well as studies for the Company's drug delivery program. The center has both Clinical and Bioanalytical capabilities and houses 2 clinics, a bioanalytical lab with 12 state-of-the-art LC/MS-MS systems and its own clinical chemistry lab which is accredited by National Accreditation Board of Laboratories (NABL).

Highlights, FY 2013

- The team completed 19 full studies during the year under review, taking the cumulative tally to 83 full studies
- In FY 2013, LBC was inspected and studies were approved by the French regulatory authorities (ANSM) and the US FDA for both Bioanalytical and Clinical areas

INTELLECTUAL PROPERTY MANAGEMENT

At the very core of Lupin's Research is the Company's Intellectual Property Management Group (IPMG) which is not only responsible for its global product pipeline but also creates and manages a high-value patent portfolio that protects our business, research and technology assets. Lupin's IPMG has built one of the best track records within the global generic pharmaceutical industry for wins when it comes to successfully litigating and protecting Lupin's filings in key markets.

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 and prevented Lupin from supplying additional quantities. A win at the US Court of Appeals for the Federal Circuit resulted in Lupin re-launching the product in April 2012.

Highlights, FY 2013

- The cumulative first to file products now stands at 29
- During FY 2013, Lupin had 2 exclusive first-to-files for the generic versions of Apriso® and Viread 150mg, 200mg & 250mg strengths®. The Company also believes that it would have 4 non-exclusive first to files for the generic versions of Toviaz®, Savella®, Uloric® and Banzel®. Based on IMS MAT Mar 2013 data, the Brand Sales for these collective 6 first-to-file stands at USD 677 million
- Lupin successfully launched generic versions of Combivir®, Tricor®, Seasonale® and Diovan-HCT®
- During the year, the Company settled 7 pending litigations with various global pharmaceutical companies
- The Company had three patent wins in FY 2013. In Bayer vs. Lupin on Yasmin and Yaz at the Federal Circuit and in Teva vs Lupin on Seasonique at the District Court

During FY 2013, the Company filed 157 new patents, taking the cumulative total to 1181 patents filed to date. This included 60 Formulation patents, 41 API/Process patents, 6 Biotech, and 47 NCE patents. The Company received approvals for 8 Formulation patents, 10 API patents and 2 NCE patents.

NOVEL DRUG DISCOVERY AND DEVELOPMENT

Long-term, one of the Company's biggest differentiators will be its Novel Drug Discovery and Development (NDDD) program. The Program focuses on the discovery, development and commercialisation of new drugs that address disease areas with significantly unmet medical need.

Lupin's NDDD efforts are directed towards identifying and developing new therapies for disease areas that include metabolic/endocrine disorders, pain and inflammation, autoimmune diseases, CNS disorders, cancer and infectious diseases.

Scientists at NDDD have been able to create a portfolio of novel compounds that are moving through a robust pipeline from discovery to development. This steady movement will ensure that at least one compound enters the clinical phase in terms of first-in-human studies each year.

Lupin has adopted a 'Quick-win, fail-fast' cost-efficient development approach, in which novel compounds are filtered at every stage before entering development and differentiated by efficacy with a focus on enhanced safety.

Highlights, FY 2013

- Successfully completed Phase I studies in Europe for a program in the CNS area, which is being advanced to Phase II clinical trials in Europe now
- Candidates from two programs in the area of endocrine disorders and cancer will enter clinical development in FY 2014
- Six other programs in various stages of discovery across different therapy areas
- Strong intellectual property creation and management strategy in place, with a total of over 80 patent applications filed to date

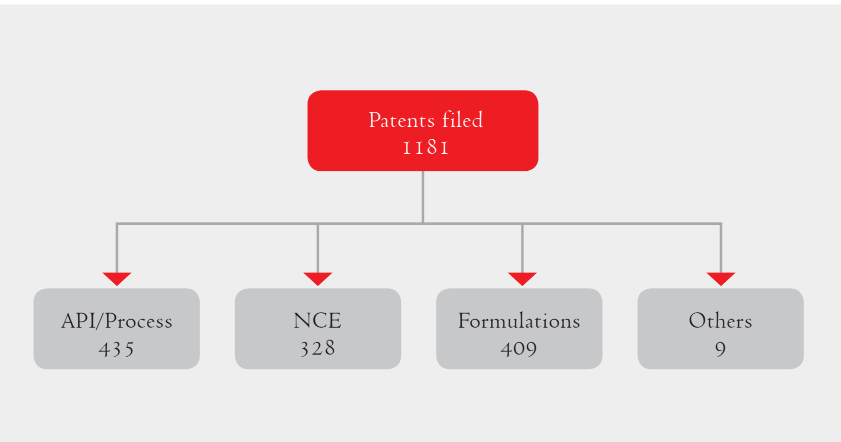
LUPIN BIOTECHNOLOGY

The Lupin Biotechnology Research Group was established 5 years ago with a vision to provide affordable, high quality biopharmaceuticals with a focus on biosimilars. In a short span of 5 years, Lupin Biotech scientists have created and developed a basket of 10 biosimilars, which are now in various stages of development. 8 of these are potential blockbusters addressing diverse and niche therapeutic indications like Oncology, Inflammation, Antivirals, Osteoporosis and Rheumatoid arthritis.

Highlights, FY 2013

- Lupin Biotech received marketing authorisation for its first oncology product following the successful completion of its multi-centric, Phase III Clinical Trial in India
- Another long-acting oncology product is close to receiving marketing authorisation and has demonstrated excellent biosimilarity in Phase III Clinical Trials in India
- 5 biosimilar products, including a basket of Blockbuster Monoclonal Antibodies and therapeutic Recombinant Proteins are in advanced stages of development, having successfully completed pre-clinical studies
- 3 process patents have been filed for 2 of these products

The product development process adopted in Lupin's biosimilar products conforms to ICH and biosimilar guidelines issued by the Indian regulatory bodies and also in keeping with global regulatory requirements. The products have been designed with proprietary expression systems, innovative processes and novel formulations, encompassing 15 patents filed and 23 publications so far. Novel formulations have been successfully developed for three of the products, thus providing a competitive advantage. Lupin Biotech team's efforts position the Company well in the lucrative but challenging global Biosimilars space.



Lupin Research Park, Pune

THE BOTTOMLINE IS COMPLIANCE

Alok Ghosh
President – Technical Operations

At Lupin, we believe that there are no shortcuts to Quality and constant compliance is the only way to build a global manufacturing operation; the only way that a company can do meaningful business in any market within the pharmaceutical world.

In a business marked by rapid growth, increasing complexity and an expanding global footprint, success is not only derived from one's ability to deliver quality products consistently but by ensuring that the Company is delivering in line with ever-evolving regulatory and quality standards.

This deep compliance discipline is what drives our global manufacturing operations and supply chain; right from the markets we choose to serve, to the products we develop and manufacture; and how we supply them.

Lupin's global manufacturing operations are spread across India and Japan. The Company has 12 world-class facilities (ten in India and two in Japan) manufacturing and supplying APIs and formulations approved by leading pharmaceutical regulatory authorities like the US FDA, World Health Organisation, MHRA (UK), TGA (Australia), MHLW (Japan), ANVISA (Brazil) and MCC (South Africa). These world-class facilities embody a culture of continuous improvement to deliver complex products with optimum efficiency. With a focus on maintaining the right efficiencies, Lupin has continued on its quest for manufacturing excellence, focusing on cost reduction using principles of six sigma and lean manufacturing.

We believe Quality and Regulatory Compliance not only have to be embedded into the product but have to be built into people, systems, and processes through a systematic process of continuous training and knowledge sharing. The Company today has over 700 Global Corporate Quality Assurance professionals spread across all manufacturing locations engaged in developing and implementing policies that ensure quality and compliance with global regulatory standards.

Consistency in meeting customer expectations and meeting regulatory quality and compliance norms are the true enablers and the critical differentiator that has made Lupin the global generic powerhouse it is today.

12
manufacturing facilities across India & Japan

5,000
lupinytts engaged in manufacturing and quality

₹ 25,480
million cumulative capital expenditure over the last 6 years

No. 1
within US generics players with 99.6% fill rates

The Road Ahead

As we aspire to further accelerate and scale higher orbits of growth, we are conscious of the fact that product and market complexity will increase exponentially. We are aware that the Company needs to stay ahead of the curve by continuously investing in new technology, automation and systems to create better efficiencies that enhance profitability. We are also investing prudently in expanding our manufacturing operations by setting up new facilities and plants to meet future demand. As a result, the Company's capital expenditure increased to ₹ 4,871 million for FY 2013.

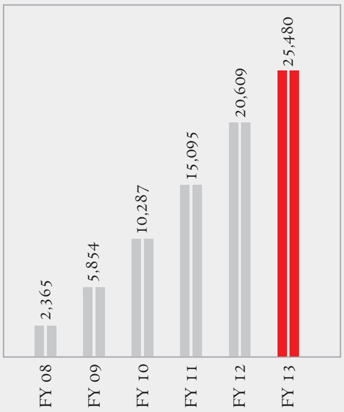
We actively engage with leading consulting organisations to build a manufacturing operation second to none and continuously sharpen our compliance ethic. As we aspire to further accelerate our growth and in order to ensure that we consistently meet our customer expectations, we have realised that we must invest in building a future-ready, nimble and strong supply chain. With that objective in mind, the Company launched its Supply Chain Operations Re-Engineering (SCORE) program covering its manufacturing facilities, supply chain and all markets during FY 2013.

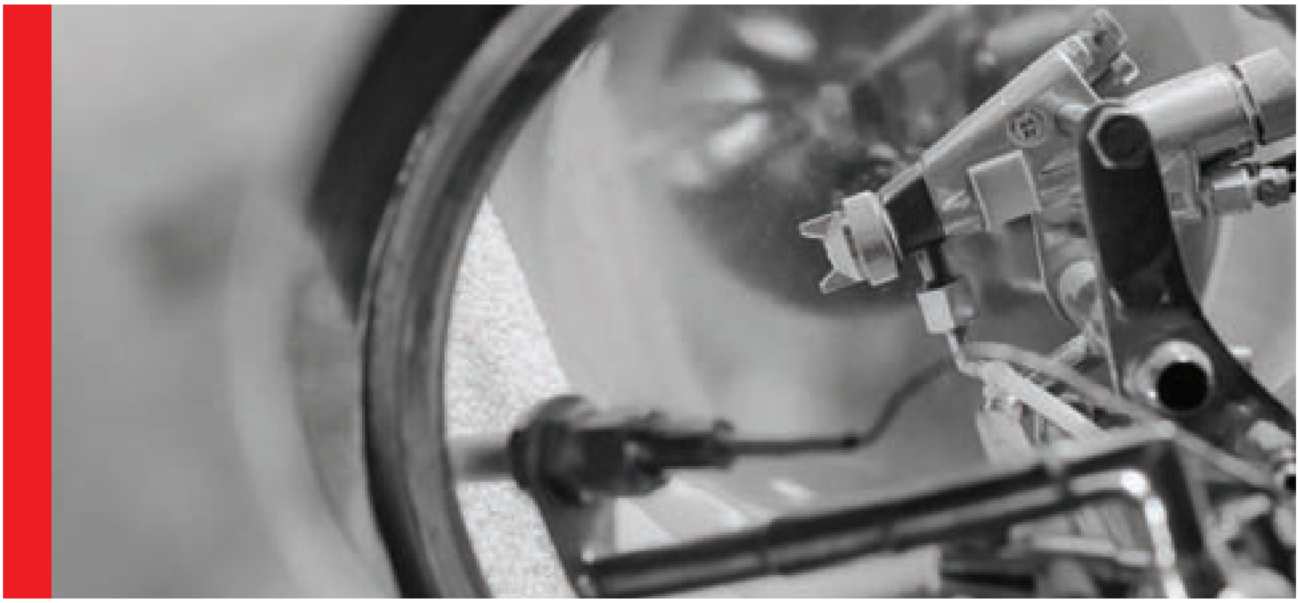
Highlights, FY 2013

Operations

- Received Platinum (for our Goa finished product facility) and Gold (for our Tarapur API facility) awards at the India Manufacturing Excellence Awards (IMEA) instituted by The Economic Times in partnership with Frost and Sullivan for manufacturing excellence
- Successful audits of all facilities by global regulatory authorities without any critical or major observations
- Focused on optimising our manufacturing costs and enhancing productivity with the rollout of the DISHA program (based on Lean and Six Sigma principles)
- Expanded / commissioned new plants in our Tarapur, Dabhasha and Indore facilities
- Set up a new formulations manufacturing facility in Nagpur to service advanced markets like the US and Europe. The plant is expected to be operational by Quarter III, FY 2014
- Launched a dedicated global program christened SCORE (Supply Chain Operations Re-Engineering) to streamline processes that strengthen our global supply chain and develop a cost-optimised supply chain

Cumulative Capital Expenditure (₹ million)






Indore


Goa


Sanda, Japan


Mandideep

THE BOTTOMLINE IS PEOPLE

Divakar Kaza
President – Human Resources

Our recognition as one of India's best companies to work for in the pharmaceutical space for the third year running is a testimony to our people-centric work practices and trust-based culture. A culture that has built a truly engaged and inspired global workforce.

Being a great workplace is not an isolated event. Neither is it the beginning or the end of a good HR story. It is in fact a journey, a continuous quest for creating an organisation that thrives on values of innovation, people development, continuous improvement and entrepreneurship. At Lupin, every day brings with it new horizons, new challenges and new opportunities for employees to excel, outperform and outshine.

The Lupin DNA

As a company with a large number of young professionals, our HR practices revolve around one central theme: to be in sync with the needs and aspirations of the millennial generation. We value the contribution of our 13,000 + workforce, be it in Sales, Manufacturing or R&D, and ensure that similar job-holders at the junior and middle management levels, have a common understanding of their respective roles and their departmental and functional objectives, which are as closely aligned with the organisation's business priorities. The focus is on providing clarity to employees on what they are expected to do and eliminate ambiguity from how their performance is evaluated. Further, there is also a strong focus on learning on the job and working on cross-functional projects. This forms the basis of a collaborative and coherent global work culture, fostering engagement and augmenting one of our core values, Team Work.

Integrity is perhaps one of our most important core values and we have well-established processes to ensure that our employees and management uphold this value in their professional conduct. Our universally applicable 'Code of Conduct' and 'Whistleblower Policy', standardised antecedent verification process, transparent performance management process and fair and

13,000+
lupinytts globally

28 years
average age of a lupinytt

Top 3
rank in the 'Great Place to Work' survey amongst Indian pharma companies for 3 years running

₹150
million invested in training and development in FY 2013

70%
employee retention of the team with Lupin for more than 3 years.

60%
of Lupin's global workforce is less than 30 years of age

1,929 Lupinytts
covered under the Lupin employee stock option plan

equitable reward opportunities give our people the confidence and comfort to function effectively. These practices have built trust over the years and have continuously provided guidance on the manner in which to conduct business.

Our culture also inculcates Entreprenurial Spirit, empowering employees to stretch beyond what they thought was possible and achieve more than just business goals. In order to provide the required impetus, we offer a wide array of educational programs, development initiatives and career progression opportunities. Today, Lupin has created advanced and customised curriculum in collaboration with prestigious educational institutions such as IIM-A, BITS (Pilani), The Indian School of Business, SP Jain Institute, NMIMS and more. These programs not only help Lupinytts enhance their skills but have also helped build an internal pool of talent. The HR function lays significant emphasis on training in other areas as well, encompassing technical, functional and behavioral training modules.

At the top of it all, is our leadership team and our employees have tremendous faith in the direction in which they steer our organisation. Developing managers has always been a prime focus area for us. We offer structured inputs at different levels, in the form of programs such as 'Leader Plus', 'Managers' Excellence Program', 'Business Leaders Program' and others that groom employees into superior 'People Managers' and in turn, these managers into astute, business-oriented, 'Strategists'.

Lupin's intellectual capital is its people, our most invaluable asset, extending from its Board Room to its innovation and business implementation teams globally. Our all-inclusive Employee Stock Option Program aptly named 'Partners in Progress' extends across the organisational hierarchy right from the leadership team to the junior-most levels of the Company. A total of 1,27,27,730 stock options were granted under five separate employee stock option plans through 37 distinct tranches at an average exercise price of ₹ 339.112 between 17.02.2005 and 12.03.2013, covering 1,929 employees. This, we believe, is one of the largest stock option grant program ever offered by any company across sectors.

As a true transnational organisation, we ensure that our global subsidiaries with Lupinytts spread across 21 geographies also benefit from these structured, systemised and standardised HR practices, processes and programs. 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. The focus of Lupin's HR is our People, to ensure that our people enjoy the work they do, remain committed and contribute meaningfully.

Today, around 18% of Lupin's overall global workforce are women, one of the highest in the generic pharmaceutical industry up from 6% in 2004.

15%

of total employees covered under the Employee Stock Option Program

over

12

million stock options granted so far

Lupin employee demographics

Age Group	2011		2012		2013	
	No. of Employees	% of Employees	No. of Employees	% of Employees	No. of Employees	% of Employees
Under 25	419	4%	1026	9%	1542	12%
25-30	4901	47%	5733	48%	6112	48%
31-35	2526	24%	2543	21%	2490	20%
36-40	1063	10%	1062	9%	1057	8%
Above 40	1581	15%	1550	13%	1509	12%
Total	10490		11914		12710	

THE BOTTOMLINE IS RESPONSIBILITY

Ramesh Swaminathan
President – Finance & Planning

Responsibility towards all our stakeholders, built on a strong financial discipline and rigor, has helped us deliver strong margins, up from 19.6% in FY 2009 to 24.3% in FY 2013.

Financial Discipline

Our high growth track record has been delivered around a strong financial discipline that has helped us focus on creating commercial and operational efficiencies to drive margin expansion with high levels of cash generation.

As expected, our businesses operations continue to unlock and deliver value consistently, helping us deliver secular growth across key markets globally. At the same time, we have continuously focused on streamlining processes which has ensured the mitigation of volatility and risks, while delivering consistent returns and improved profitability, a commitment that we take as a responsibility to all our stakeholders. This discipline has made us the 8th largest generic pharmaceutical company by market capitalisation globally and more importantly, taken us to be the very best in terms of total shareholder returns (TSR) and earned us the moniker of Global Challenger from the emerging world (The Boston Consulting Group).

The Business Performance Matrix – The Commitment to Create Value, FY 2013

- The Company recorded consolidated revenues of ₹ 94,616 million in FY 2013, reflecting a growth of 35.9%, up from ₹ 69,597 million in FY 2012
- Earnings before Interest Tax Depreciation and Amortisation (EBITDA) grew by 57.5% to ₹ 22,978 million during FY 2013, up from ₹ 14,591 million in the previous fiscal
- The Company's Net Profits grew by 51.5% to ₹ 13,142 million during FY 2013

DIVIDENDS & TAXATION

The Company recorded earnings per share of ₹ 29.39 during FY 2013. Taking into account shareholder commitment, the Board of Directors recommended a dividend of 200%.

The aggregate tax obligations of the Company were significantly higher during FY 2013 due to changes in tax regimes; some of our Tax Free Production Zones losing their benefits, and tax that was levied on inventories shipped to overseas subsidiaries for new launches which resulted in an increase in effective tax rates. The effective tax rate for the Company for FY 2013 was 30.4%.

Over
₹ 2,80,000
million market capitalisation as on FY 2013

58%
EBITDA growth in FY 2013

200%
Dividend, FY 2013

51%
growth in earnings per share in FY 2013

0.14
Debt equity ratio in FY 2013

The Company has increased its reserves and surplus by ₹ 11,911 million to ₹ 51,147 million. Lupin's Advanced Markets Formulation sales (US, Europe and Japan) increased by 48% to ₹ 53,092 million for FY 2013, up from ₹ 35,885 million the previous year. Lupin remains the 5th largest generic player in the US (by prescriptions, IMS Health – December 2012) for the fourth year running.

Lupin's Japanese subsidiary, Kyowa grew by 52% to ₹ 13,040 million during FY 2013 and contributed 14% of the Company's overall revenues.

Lupin's India Region Formulations business grew by 24%, recording Net Sales of ₹ 23,644 million during FY 2013.

Lupin's South African subsidiary, Pharma Dynamics, grew by 26% to ₹ 3,210 million as against ₹ 2,554 million in FY 2012.

A STRONG BALANCE SHEET

We have delivered a strong balance sheet year after year; a balance sheet that can be leveraged to add new dimensions to the Company's business globally. Backed by prudent financial planning and tight financial control, we have ensured strong and positive cash flows for the Company. The ability of the Company to raise credit is stronger than ever. Lupin's short-term debt program continued to receive the highest rating from ICRA.

Net operating working capital increased to ₹ 24,312 million as on 31st March, 2013 as against ₹ 19,028 million the previous year. Lupin continues to invest in manufacturing and building new facilities and FY 2013 saw capital expenditure of ₹ 4,871 million. The debt equity ratio stood at 0.14 as on 31st March, 2013 as compared to 0.30 as on 31st March 2012.

RESEARCH & DEVELOPMENT – INVESTING IN OUR FUTURE

Revenue Expenditure on R&D increased to ₹ 7,098 million, 7.5% of net sales, which indicates how aggressively we are investing in our future – by creating meaningful and differentiated product pipelines for advanced and emerging markets, a great pointer to the quality of our future earnings. We are also focusing on creating value-added products built on proprietary advanced drug delivery platforms. We are investing in expanding our Novel Drug Discovery and Development pipeline; investing in clinical trials as our lead candidates progress from Phase I to Phase II in Europe. We continue to ramp up our investments in our Biotechnology foray. We believe that the products coming out of our R&D efforts would be revenue multipliers for the future that will take the Company into a different orbit of growth and leadership.

BUSINESS EXCELLENCE

We continue to calibrate and fine-tune processes across business operations globally, sharing and integrating best practices and ensuring technology absorption across all our business functions, i.e. manufacturing, logistics, finance and human resources. This constant focus and discipline vis`a vis operational excellence has resulted in a marked improvement in margins, where FY 2013 witnessed our best ever EBITDA margins. We also realise that excellence in business cannot be achieved in isolation and Lupin has actively sought knowledge and collaborated with consultants in the pharmaceutical space as well as external domain experts, be it legal, regulatory or financial experts. We have partnered with consulting powerhouses like the Boston Consulting Group, Accenture and others in areas such as global supply chain and streamlining manufacturing operations successfully. We partnered to absorb new methodologies and techniques like Six Sigma and Lean Manufacturing in our quest for quality and excellence in manufacturing.

INTERNAL CONTROL SYSTEMS & INFORMATION TECHNOLOGY (IT)

At Lupin, we are in the process of continuously creating new and fine-tuning existing automated internal business controls; a process framework that integrates the entire organisation; from strategic support functions like finance, human resources, regulatory affairs to core operations and delivery units like global procurement, research, manufacturing and supply chain. A well-established and empowered system of internal financial audits and automated control procedures ensures prudent financial control but more importantly ensures accountability and integrity in every part of our organisation. Embedded controls ensure instant reporting of violations and exceptions.

Chartered Accountants M/s Khimji Kunverji and Co. are 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 how we can further enhance efficiencies within the Company.

Lupin continues to remain invested in building a truly scalable; technologically balanced; process-driven IT environment to support business and growth globally. This assumes a more critical tone given the rapid ramp-up that we have and will continue to witness in key markets globally.

Global ERP - The SAP Rollout Program: We successfuly expanded the rollout of our core SAP ERP system to include all subsidiaries in the US, Japan, UK, Switzerland and Germany. The program also included the creation of a fully secure global telecom network to operate SAP and other critical applications. This has created a single unified platform for Lupin to not only operate, manage and monitor its global businesses but has also enabled superior business reporting and analytics through the Business Warehouse system.

This set the tone for the Company to re-engineer its supply chain matrix to enable better Sales Support & Operations Readiness Planning. The Company launched the SCORE Program in FY 2013, Lupin's global initiative to create a future-ready Supply Chain.

Global Messaging and Collaboration Platform: The Company migrated its messaging and collaboration infrastructure to Office 365, a cloud-based messaging platform based on Microsoft technology. This migration has been completed for five subsidiaries, including India.

Information Security and Protection - The Kavach Program: The Company implemented a major program with the objective of protecting all its Intellectual Property assets, and enhancing enterprise security. This ongoing project required significant altering and re-alignment of technology, processes, policies and people practices to help build a corporate culture and system consistent with the objective of managing information security risk.

RISKS CONCERNS & THREATS

Over the last 7 years, Lupin has evolved as a world-class financial organisation with strong risk management frameworks enabled by a strong forecasting discipline that has helped us manage competitive, economic, financial, geo-political and social risks on a regular basis. This has enabled the Company to continually monitor the market, the global economic environment, competitor and regulatory activity to ensure that the Company can react quickly to any action which could directly or indirectly impact its business. The Company has put in place response mechanisms that mitigate environmental, operational and business risks.

Over 70% of the Company's revenues come from exports to overseas market and hence we remain exposed to currency risk. The Company's ability to read foreign exchange fluctuations and volatility coupled with an ensuing currency hedging strategy for the short, mid and the long-term through forward exchange contracts, have helped minimise risk and have buffered volatility in exchange rates. We benefited by the steep depreciation of the Rupee against major global currencies like the USD, JPY and EURO during FY 2013.

The Drug Price Control Order (DPCO) has been a cause of concern for the Indian Pharmaceutical Industry. Under the National Pharmaceutical Pricing Policy, 2011, the Department of Pharmaceuticals sought to regulate prices of 348 essential drugs and their combinations, which cover 60% of drugs sold in the country. Lupin's current and envisaged therapy and product mix in the Indian pharmaceutical market coupled with a consumer-driven pricing strategy means that DPCO directives have had the least impact on Lupin's Indian formulations business.

Lupin has been continuously de-risking global procurement by working out long-term contracts with multiple suppliers for key inputs, including raw materials, services and finished goods.

We have innovated by creating high-value differentiated products in niche therapies for our key markets. We have invested in developing technology platforms and drug delivery capabilities and backed that up by expanding and adding scale to our manufacturing operations. Lupin remains one of the most vertically integrated companies globally. This coupled with investments in biotechnology and a highly evolved Novel Drug Discovery and Development pipeline, indicate how we are creating new business segments with global potential. This has helped us build a strong competitive advantage with better earnings visibility in the long run. We remain committed to creating value for all our stakeholders, we remain responsible.

THE BOTTOMLINE IS CONSCIOUSNESS

> "True progress is when you become the reason for making others prosper and smile"
>
> Dr. Desh Bandhu Gupta
> Lupin Human Welfare and Research Foundation

Can a business transform distant villages that have for decades remained in poverty, isolation and ignorance into vibrant centers of progress and development? Of what use are scientific knowledge, technology development and economic progress if they can't be used to restore a villager's lost confidence or extend the benefits of modern education to the under-privileged and transform lives? These were some of the questions that led Dr. Desh Bandhu Gupta to set up the Lupin Human Welfare & Research Foundation (LHWRF) in 1988 in response to addressing the growing inequity that lay beyond India's urban perimeter and to ensure that growth and development reach rural India. LHWRF was set up with the objective of creating a replicable and ever-evolving model for sustainable rural development with the simple goal of uplifting families living below the poverty line.

From having made humble beginnings in 1988 by initiating small projects, LHWRF has come a long way to become one of the largest NGOs and social development initiatives undertaken by a corporate in South-East Asia, touching and transforming the lives of over 2.5 million people, covering 3,000 villages spread across the states of Rajasthan, Madhya Pradesh, Maharashtra and Uttarakhand. The Foundation operates through ten centres: Alwar and Bharatpur in Rajasthan; Aurangabad, Dhule, Nandurbar, Pune and Sindhudurg in Maharashtra; Bhopal and Dhar in Madhya Pradesh and Rishikesh in Uttarakhand.

The Foundation focuses on rural development programs that help promote and enable Economic Development, Social Development, Natural Resource Management and Infrastructure Development.

Economic development

Agricultural development: LHWRF programs are designed to enhance farm productivity and ensure resource utilisation. The programs have focussed on suggesting contemporary cropping changes that improve livelihoods substantially. Dissemination of knowledge on new cropping techniques,

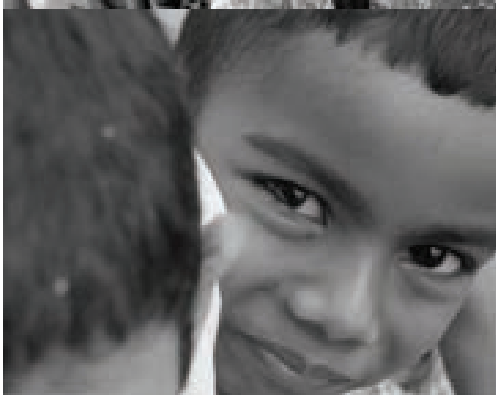
Touching the lives of over

2.5

million people spread across

3,000

villages



introduction of new technologies and equipment have enabled the farmers to increase yields enormously.

Animal husbandry: Livestock provides vital additional income for sustenance of poor in rural areas. LHWRF programs in this area have focussed on improving productivity by inducting livestock of superior breeds and on breed improvement in adopted areas through artificial and natural inseminations methods. This is complemented by routine activities such as organising animal vaccination camps, providing animal health care at the door step and assisting farmers in fodder development.

Rural industries promotion: There is considerable human potential that lies untapped in the villages and small towns of India. LHWRF programs encourage rural non-farm employment by providing training on new skills. These programs go a step further by also providing credit support, which enable the rural poor to get new livelihoods and fixed incomes. In FY 2013, 242 new enterprises were established and 1,183 old enterprises were either re-established or upgraded. The team also facilitated loan disbursement of ₹ 637 lakhs and ₹1,037 lakhs through RMK and SIDBI respectively.

Financial inclusion: In FY 2013, LHWRF partnered with State Bank of Bikaner & Jaipur to enable the financial inclusion of the rural poor. LHWRF has developed an innovative programme that is taking banking to rural households, who were so far out of the ambit of banking system. The program has helped open 99,787 new accounts for rural women spread across 436 villages in 6 districts of Rajasthan.

Social development

It is universally acknowledged that economic and social development work in tandem. LHWRF social development programs focus on women empowerment, community health and qualitative education programs.

Women empowerment: We believe that it is important to empower women financially and provide them with skills that encourage employability. LHWRF programs for women focus on the creation of Self Help Groups (SHGs) and strengthening them through

2.5

million human lives touched

3,000

number of villages where the Company is present

₹ 500

million mobilised by LHWRF



bank linkages and capacity building. Building of linkages with the financial institutions and banks ensures that all women below the poverty line have access to much-needed credit. Setting up of successful enterprises by women through SHG loans have opened up new horizons and opportunities for them and encouraged them to step up the social ladder. Around 1,344 new SHGs were formed and 14 federations were established during the current year.

Community health management: Access to quality and in-time health care is a critical issue in rural areas. LHWRF programs are increasingly focussing on providing 'Quality health services at the doorstep' complimenting the government's efforts to reduce IMR and MMR in adopted areas. LHWRF is an implementing partner for the Integrated Child Development Scheme (ICDS) in one block. In FY 2013, the LHWRF team organised 45 health camps, of which 17 were in schools in our adopted areas. Our Mobile Medical Diagnostic Unit (MMDU) carried out 1,628 check-ups in adopted areas.

Education: Right from inception, LHWRF programs focused on providing relevant education in rural areas. LHWRF programs not only impart skill-based training and education but also help schools get access to modern training aids and equipment. LHWRF introduced e-learning systems in adopted areas which has made education an exciting experience for students and teaching easy. Further, we distributed 702 modern educational equipment and training aids to schools this year.

Natural resource management

In FY 2013, states such as Maharashtra were hit by severe drought. LHWRF programs focussed on water and land resource development. Several water storage structures such as 10 new check dams and 25 farm ponds were built; old structures were de-silted to enhance water stocking in local micro watersheds. Farmers were encouraged to tackle water scarcity by forming groups for constructing wells. In order to enhance water use efficiency, drip irrigation system for watering crops was promoted widely covering 49 hectares.

Infrastructure development

The LHWRF undertook numerous programs to help rural communities build necessary civil infrastructure. The Foundation focussed on creating and building school infrastructure, better rural sanitation, internal roads and housing. These initiatives helped improve the quality of life in adopted areas and brought much-needed comfort to women, children and the poor. In FY 2013, about 200 new-low cost houses were constructed and 390 previously built houses were repaired through support provided by LHWRF. The Foundation also initiated projects for improved sanitation in rural areas. LHWRF also established 38 Farmer's Knowledge Centres.

Over the last 25 years, we have grown with the communities that we have worked with and served; and are conscious of our larger responsibility, aware that a lot needs to be done to ensure that the benefits of scientific and economic progress reach rural areas. True Growth that is all Inclusive. At LHWRF, the bottomline is Consciousness.

REPORTS AND FINANCIALS

SIX YEAR FINANCIAL SUMMARY

CONSOLIDATED BALANCE SHEET

₹ in million

As at March 31,	2008	2009	2010	2011	2012	2013
SOURCES OF FUNDS						
Shareholders' funds						
Equity Share Capital	820.8	828.2	889.4	892.4	893.3	895.1
Reserves and Surplus	11,976.0	13,420.0	24,788.9	31,918.4	39,235.6	51,146.7
	12,796.8	14,248.2	25,678.3	32,810.8	40,128.9	52,041.8
Minority Interest	94.5	142.5	254.9	515.1	722.9	594.5
Loan Funds						
Secured Loans	7,080.6	7,569.2	8,722.4	7,885.9	8,161.2	6,369.2
Unsecured Loans	4,948.2	4,663.5	2,676.1	3,738.0	8,229.8	5,275.7
	12,028.8	12,232.7	11,398.5	11,623.9	16,391.0	11,644.9
Deferred Tax Liabilities (net)	1,248.0	1,387.2	1,630.4	1,791.8	1,910.1	2,336.8
TOTAL	**26,168.1**	**28,010.6**	**38,962.1**	**46,741.6**	**59,152.9**	**66,618.0**
APPLICATION OF FUNDS						
Fixed Assets						
Gross Block	14,858.8	18,200.3	22,937.1	26,388.5	36,878.4	41,768.9
Less : Depreciation and Amortisation	4,697.5	6,188.3	7,072.2	9,075.1	14,421.8	16,840.4
Net Block	10,161.3	12,012.0	15,864.9	17,313.4	22,456.6	24,928.5
Capital Work-in-Progress (incl. Capital Advances)	963.8	2,239.7	3,578.7	5,319.3	4,973.7	3,909.0
	11,125.1	14,251.7	19,443.6	22,632.7	27,430.3	28,837.5
Goodwill on Consolidation	1,872.3	3,173.7	3,196.8	3,254.9	5,040.0	5,073.2
Investments	58.2	215.6	264.3	31.5	28.0	20.6
Deferred Tax Assets (net)	141.2	222.8	195.4	380.5	467.8	704.4
Other Assets						
Inventories	7,893.4	9,571.6	9,714.9	11,999.6	17,326.7	19,489.3
Receivables	7,439.0	9,179.7	11,265.7	12,556.4	17,800.1	21,869.9
Cash and Bank Balances	2,741.8	777.7	2,015.3	4,201.4	4,024.7	4,348.8
Others	2,367.0	2,779.7	4,758.6	6,186.6	7,704.6	8,794.9
	20,441.2	22,308.7	27,754.5	34,944.0	46,856.1	54,502.9
Other Liabilities						
Liabilities	6,018.8	10,334.8	9,663.4	11,779.3	16,730.5	17,836.4
Provisions	1,451.1	1,827.1	2,229.1	2,722.7	3,938.8	4,684.2
	7,469.9	12,161.9	11,892.5	14,502.0	20,669.3	22,520.6
Net Other Assets	12,971.3	10,146.8	15,862.0	20,442.0	26,186.8	31,982.3
TOTAL	**26,168.1**	**28,010.6**	**38,962.1**	**46,741.6**	**59,152.9**	**66,618.0**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in million

Year ended March 31,	2008	2009	2010	2011	2012	2013
INCOME						
Sales (Gross)	29,007.4	38,428.9	48,009.5	57,421.7	70,017.2	95,235.3
Less : Excise Duty	666.4	479.0	273.2	353.5	420.2	619.0
Sales (net)	28,341.0	37,949.9	47,736.3	57,068.2	69,597.0	94,616.3
Other Operating Income	575.9	637.1	762.5	1,121.5	1,232.1	1,796.7
Other Income	211.3	125.5	351.1	221.9	143.5	278.5
Total Income	**29,128.2**	**38,712.5**	**48,849.9**	**58,411.6**	**70,972.6**	**96,691.5**
EXPENDITURE						
Cost of Materials	11,638.0	16,043.1	19,694.2	22,379.3	26,039.0	35,480.2
Employee Benefits Expense	3,076.0	4,871.3	5,871.5	7,675.6	9,695.3	12,487.9
Manufacturing and Other Expenses	7,991.2	10,359.2	13,303.3	16,356.4	20,647.7	25,745.3
Total Expenses	**22,705.2**	**31,273.6**	**38,869.0**	**46,411.3**	**56,382.0**	**73,713.4**
Profit before Interest, Depreciation and Tax	6,423.0	7,438.9	9,980.9	12,000.3	14,590.6	22,978.1
Finance Costs	373.5	498.6	384.9	344.8	354.7	410.2
Depreciation and Amortisation	647.4	879.9	1,239.1	1,711.8	2,275.2	3,321.9
Profit before Tax	5,402.1	6,060.4	8,356.9	9,943.7	11,960.7	19,246.0
Current Tax	1,022.6	727.0	1,109.8	1,176.3	2,756.2	5,829.0
Deferred Tax	180.6	106.2	250.4	(26.5)	329.4	12.6
Fringe Benefit Tax	114.8	149.8	-	-	-	-
Net Profit before Minority Interest and Share of Loss in Associates	4,084.1	5,077.4	6,996.7	8,793.9	8,875.1	13,404.4
Minority Interest	1.3	28.6	111.6	148.4	198.6	262.8
Share of Loss in Associates	0.3	33.4	68.8	20.0	-	-
Net Profit	**4,082.5**	**5,015.4**	**6,816.3**	**8,625.5**	**8,676.5**	**13,141.6**

Note : Figures are suitably regrouped to make them comparable.

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, 2013.

Financial Results

(₹ in million)

	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Sales (Gross)	70723.9	53579.1	95235.3	70017.2
Profit before interest, depreciation and tax	19072.3	11653.5	22978.1	14590.6
Less: Interest and finance charges	332.8	286.8	410.2	354.7
Less: Depreciation and amortisation	1501.4	1319.6	3321.9	2275.2
Profit before tax	17238.1	10047.1	19246.0	11960.7
Less: Provision for taxation (including deferred tax)	4633.8	2003.4	5841.6	3085.6
Net Profit before Minority Interest	-	-	13404.4	8875.1
Less: Minority Interest	-	-	262.8	198.6
Net Profit	**12604.3**	**8043.7**	**13141.6**	**8676.5**
Add: Surplus brought forward from previous year	19530.2	14647.9	21345.2	15946.1
Amount available for Appropriation	**32134.5**	**22691.6**	**34486.8**	**24622.6**
Appropriations:				
Transfer to General Reserve	1500.0	1500.0	1500.0	1500.0
Add: Transfer from Minority Interest	-	-	280.6	-
Dividend on Equity Shares by an overseas subsidiary	-	-	-	93.4
Proposed dividend on Equity Shares	1790.1	1429.2	1790.1	1429.2
Dividend on Equity Shares for previous year	0.9	0.3	0.9	0.3
Corporate tax on dividend	304.3	231.9	304.3	254.5
Balance carried to Balance Sheet	28539.2	19530.2	31172.1	21345.2
	32134.5	**22691.6**	**34486.8**	**24622.6**

Performance Review

Your Company scaled newer heights and benchmarks in terms of sales and profits for the year ended March 31, 2013. Consolidated sales at ₹ 95235.3 million grew by 36% over ₹ 70017.2 million of the previous year. International markets accounted for 72% of sales. Profit before interest, depreciation and tax increased by 57% at ₹ 22978.1 million as against ₹ 14590.6 million in the previous year. Profit before tax was ₹ 19246.0 million, higher by 61% over the previous year. After providing for taxes and minority interest, net profit was ₹ 13141.6 million, higher by 51% over the previous year. Earning per share was ₹ 29.39.

Dividend

Your Directors are pleased to recommend dividend at ₹ 4/- per equity share of ₹ 2/- each, absorbing an amount of ₹ 1790.1 million. The corporate tax on proposed dividend aggregates ₹ 304.3 million.

Share Capital

During the year, the paid-up equity share capital of your Company rose by ₹ 1.8 million consequent to allotment of 887812 equity shares of ₹ 2/- each to eligible employees under the 'Lupin Employees Stock Option Plan 2003', 'Lupin Employees Stock Option Plan 2005', 'Lupin Subsidiary Employees Stock Option Plan 2005' and 'Lupin Employees Stock Option Plan 2011.'

Credit Rating

ICRA Limited reaffirmed its **"[ICRA] A1+"** (pronounced "ICRA A one plus") rating for your Company's working capital lines of ₹ 15000 million from banks indicating a very strong degree of safety for timely payment of financial obligations. Of this limit, ₹ 1900 million was assigned a long-term rating of **"[ICRA] AA+"** (pronounced "ICRA double A plus") indicating a high degree of safety for timely servicing of financial obligations.

The Company also enjoys **"[ICRA] AA+"** rating for non-convertible debentures (NCDs) of ₹ 1000 million, indicating a high degree of safety for timely servicing of financial obligations for long-term debt instruments. The Company did not issue any long-term NCDs during the year.

Subsidiary Companies

As on March 31, 2013, the Company had 19 subsidiaries. Lupin Middle East FZ-LLC, Dubai, wholly-owned subsidiary was incorporated on June 13, 2012. Since there was not much operation in Amel Touhoku, Japan, wholly-owned subsidiary of the Company, it was wound-up w.e.f. February 28, 2013.

Financials of subsidiary companies are disclosed in the Consolidated Financial Statements which form part of this Annual Report. Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 forms part of this Annual Report.

Management Discussion and 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.

Business Responsibility Report

Pursuant to Clause 55 of the Listing Agreement with the Stock Exchanges, Business Responsibility Report forms part of this Annual 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, 2013 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

Dr. Kamal K. Sharma was re-appointed as Managing Director of the Company for a period of three years effective September 29, 2012 or other mutually agreed capacity. His re-appointment was approved by members; vide an ordinary resolution passed by postal ballot, the result of which was declared on December 13, 2012.

The Company, led by a strong senior management team, is poised to enter higher orbits of growth. In this direction, the Board of Directors at its meeting held on May 8, 2013 approved the elevation of Dr. Kamal K. Sharma as Vice Chairman, Ms. Vinita Gupta as Chief Executive Officer and Mr. Nilesh Gupta as Managing Director, effective September 1, 2013, on such terms and conditions as may be finalised and subject to necessary approvals as may be required.

Dr. Sharma has effectively led the team and as Vice Chairman, he would be involved in setting vision of the Company, building strategy and mentoring the management team. Ms. Vinita has built a strong presence in the US market which is the largest market of the Company. Mr. Nilesh Gupta has ably led the Company's research and supply chain functions.

Mr. Dileep C. Choksi, who was appointed as an Additional Director w.e.f. October 23, 2012, holds office up to the date of the forthcoming Annual General Meeting. Notices have been received from certain members proposing his name for appointment as a director.

Mr. D. K. Contractor stepped down from the directorship of the Company w.e.f. October 23, 2012 on health grounds. The Board records its sincere appreciation of the valuable contribution rendered by Mr. Contractor during his tenure as a director of the Company.

Dr. Kamal K. Sharma, Ms. Vinita Gupta and Mr. Nilesh Gupta 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. No deposit was outstanding as on March 31, 2013. Seven deposits aggregating ₹ 63,000/- were lying unclaimed with the Company, as on March 31, 2013, none of which, have since been claimed. Reminders have been sent to the concerned depositors to claim repayment of their matured deposits.

Auditors

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 of Directors recommend their re-appointment as Statutory Auditors of your Company.

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

Cost Auditors

Pursuant to the provisions of Section 233B of the Companies Act, 1956, in terms of General Circular No.15/2011 dated April 11, 2011 and with the 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, 2013. Cost Audit Report would be submitted to the Central Government within the prescribed time.

Pursuant to Rule 5 of the Companies (Cost Audit Report) Rules, 2011 and in terms of Circulars issued by the Cost Audit Branch of the Ministry of Corporate Affairs from time to time, the Cost Audit Report for Bulk Drugs and Formulations, for the year ended March 31, 2012 was filed with the Central Government on December 27, 2012, in the Extensible Business Reporting Language (XBRL) mode. The last date of filing the Cost Audit Report was February 28, 2013.

Employees Stock Appreciation Rights / Stock Options

During the year, 'Lupin Employees Benefit Trust', of which, 'Barclays Wealth Trustees (India) Private Limited' are independent trustee, acquired 446154 fully paid-up equity shares of the face value of ₹ 2/- each under 'Lupin Employees Stock Appreciation Rights Scheme 2011'.

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 'Lupin Employees Stock Option Plan 2005', 'Lupin Employees Stock Option Plan 2011' and 'Lupin Subsidiary Companies Employees Stock Option Plan 2011'are set out in Annexure 'B' forming part of this Report.

Human Resources

The Company was ranked as 'India's Best Company to Work for - 2012' in the Biotech and Pharma Sector, by the 'Great Places to Work Institute®' and The Economic Times, in their annual cross-industry study called Best Companies to Work for. This recognition is a true testimony and a joyous reflection of the pride of employees, superior people practices and overall employee orientation. The Company firmly believes that employees are the most vital assets and key differentiators of business success. In order to enhance the efficiency and effectiveness, the Company instituted several people-friendly policies and people-development programs, across all levels, to enthuse a vibrant work culture and ensure that the workforce remains invigorated and motivated.

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 commend the commitment, hardwork, dedication and contributions of employees across the Company. They express gratitude to the various departments of Central and State governments, banks, financial institutions, customers, medical professionals, distributors, business associates, suppliers, shareholders and analysts, for their continued support.

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman
Mumbai, May 8, 2013

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) Conducted compressed air audit.

ii) Used electronic ballast for light fixtures.

iii) Automation of solvent distillation columns.

iv) Installed molecular sieve dryer for solvent dehydration.

v) Installed plate type heat exchangers and vacuum traps.

vi) Installed single DX unit in place of two hermetically sealed compressors.

vii) Re-designed chilling plant at operating temperature.

viii) Optimisation of agro fuel boiler.

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

x) Optimised air compressor pressure.

xi) Replaced Furnace Oil Boiler with Briquette Boiler.

b) Additional investments and proposals:

i) Install efficient steam boiler burners.

ii) Harmonics and power factor improvements.

iii) Improve condensate recovery.

iv) Install wind power turbine.

v) Install energy saving lamps.

vi) Install VFD for air compressor motors.

vii) Optimisation use of Agro waste boiler.

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

i) Better quality of power.

ii) Reduction in fossil fuel combustion.

iii) Optimal utilisation of resources resulted in overall efficiency improvement.

iv) Reduced consumption of fuel, water and power resulted in lowering overall 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, 2013	Year ended March 31, 2012
A. POWER & FUEL CONSUMPTION			
1. *Electricity*			
a) *Purchased Units*	Thousand KWH	256966	220235
Total amount	₹ in Mn.	1652	1343
Rate/unit (KWH)	₹	6.4	6.1
b) *Own Generation*			
i) *Through Diesel Generator (HSD)*			
Units	Thousand KWH	4996	6614
Units per litre of diesel oil	KWH	3.0	3.2
Cost/unit (KWH)	₹	15.1	13.1
ii) *Through Generator (furnace oil)*			
Units	Thousand KWH	63	242
Units per litre of furnace oil	KWH	3.3	5.8
Cost/unit (KWH)	₹	12.2	5.2
iii) *Through Generator (gas)*			
Units	Thousand KWH	8402	15123
Units per M3 of Natural gas	KWH	3.7	3.7
Cost/unit (KWH)	₹	9.0	6.9
2. *Coal*		Nil	Nil
3. *Furnace oil (Boiler)*			
Quantity	KL	11947	16987
Total amount	₹ in Mn.	494.0	628.1
Rate/unit (KL)	₹	41352	36976
4. i) *Natural gas*			
Quantity	Cu. mts.	14871096	14441656
Total amount	₹ in Mn.	432.4	319.1
Rate/unit (Cu. mt.)	₹	29.1	22.1
ii) *Briquette (Boiler)*			
Quantity	MT	4557	816.1
Total amount	₹ in Mn.	16.7	3.6
Rate/unit (MT)	₹	3.7	4.4

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 is building a future by strengthening its research foundation through consistent investments in every aspect of its research programs be it Generics Research, Advanced Drug Delivery Systems (ADDS), Novel Drug Discovery and Development (NDDD) and Biotechnology. The year saw the Company continue to work and cross significant milestones on collaborative research and development deals for its ADDS platforms. Drug delivery technologies and platforms were also leveraged to provide significant product life-cycle advantages to the Company's own proprietary products. The Generics R&D program continues to create meaningful product pipelines for both APIs and formulations for the US, European, Japanese and other advanced and emerging markets. The Company's NDDD program witnessed heightened activity as it completed Phase-I studies for one of its programs in the CNS area, which is now being advanced to Phase-II clinical trials in Europe. The Biotechnology development group also received its first marketing authorization for an oncology product following the successful completion of Phase III clinical trials in India.

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

   FY 2013 was a strong year for the Company's Research and Development as the Company continued to benefit from its consistent investments in research. The Company filed 15 DMFs and 21 ANDAs in the US, taking the cumulative total to 138 and 176 respectively. The Company received approval for 16 ANDAs including 2 for NDAs thus taking total approvals received till date to 78. The Company also filed 10 MAAs with European authorities, 5 EDMFs, 3 COSs, 3 Canadian ANDS, 3 Australian & New Zealand MAAs, 2 Australia DMFs and 1 Japan DMF. Cumulative filings within the EU stands at 53 with 38 approvals received so far. The Company also filed 2 exclusive first-to-file as well as 4 non-exclusive first-to-file opportunities with the US FDA in FY 2013 taking the cumulative total to 29. The Brand Sales for these 6 first-to-file stands at USD 677 mn. as per IMS MAT Mar 2013. During FY 2013, the Company filed for 157 new patents taking the cumulative total to 1,181 patents filed till date. This includes 60 Formulation patents, 41 API/Process patents, 6 Biotech, and 47 NCE patents. The Company received approvals for 8 Formulation patents, 10 API Patents and more importantly 2 NCE patents. Lupin Bioresearch Center completed 26 full studies taking the cumulative tally to 121.

   The Company's ADDS program received project milestone payments aggregating over USD 6.5 mn. for two products that are currently under joint development with Medicis Pharmaceutical Corporation, US.

3. Future plan of action:

   In keeping with its vision, the Company remains committed to identifying and developing new products for the treatment of human diseases with unmet medical needs. The Company continues to understand and navigate its way through a complex intellectual property environment to proactively identify opportunities to develop highly differentiated technologies and products. Filing for key markets like Japan, Australia, India, South Africa and emerging markets are being ramped-up. The Company has identified multiple drug targets which are being investigated across disease areas. A portfolio of 10 novel compounds has already been created by scientists at NDDD which are progressing through various phases from discovery to development. In the Biotechnology development program, 5 biosimilar products, including a basket of blockbuster monoclonal antibodies and therapeutic recombinant proteins are at various stages of development.

4. Expenditure on R&D (Consolidated):

a. Capital	₹ 889.9 Mn.
b. Recurring (excluding depreciation of ₹ 279.9 Mn.)	₹ 6818.6 Mn.
c. Total	₹ 7708.5 Mn.
d. Total R&D expenditure as a percentage of net sales	8.1%

Technology absorption, adaptation and innovation:

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

A robust bedrock of an advanced and highly evolved Research and Development program has been the key to the Company's sustained and strong growth performance over the past ten years; growth that has made us one of the most exciting research driven, pharmaceutical companies globally. Creating, building and leveraging differentiation is at the core of research programs of the Company. Research groups and IPMG work in tandem with corporate strategy and business development teams to identify new therapy areas for creating a value based product pipeline.

ii. Benefits derived as a result of the above efforts:

The Company's sustained investments in Research and Development and its focus on entering new product areas, therapies and new markets consistently have helped it emerge as the 3rd largest Indian Pharmaceutical company globally; the 8th largest global generic player by market capitalization; the 13th largest generic pharmaceutical player globally. The Company continues to witness heightened activity across all markets, be it advanced or emerging markets. The Company is a significant player in the Cardiovascular, Diabetology, Asthma, Paediatric, CNS, GI, Anti-Infective and NSAID space and continues to hold global leadership positions in the Anti-TB and Cephalosporin segments.

The Company remains the 5th largest and fastest growing top 5 generics player in the US (5.3% market share by prescriptions, IMS Health). The Company is also the fastest growing top 10 generic pharmaceutical players in Japan (ranked 7th) and South Africa (ranked 5th) – IMS Health.

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) Earnings in foreign exchange was equivalent to ₹ 44749.2 Mn. and expenditure ₹ 13411.5 Mn.

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman
Mumbai, May 8, 2013

ANNEXURE 'B' TO THE DIRECTORS' REPORT

DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2013

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, 2013 are as under:

No.	Description	Details	
a)	Options granted during the year	**Plan**	**No. of options**
		ESOP 2005	59500
		SESOP 2011	145400
		ESOP 2011	699750
		Total	**904650**
b)	The pricing formula	• Exercise price for 854650 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	220500
		ESOP 2005	280500
		SESOP 2005	119037
		SESOP 2011	40342
		ESOP 2011	432006
		Total	**1092385**
d)	Options exercised during the year	**Plan**	**No. of options**
		ESOP 2003	249043
		ESOP 2005	521295
		SESOP 2005	63652
		ESOP 2011	53822
		Total	**887812**
e)	Total number of shares arising as result of exercise of options	**Plan**	**No. of shares**
		ESOP 2003	249043
		ESOP 2005	521295
		SESOP 2005	63652
		ESOP 2011	53822
		Total	**887812**
f)	Options lapsed during the year	Lapsed on account of resignation of employees:	
		Plan	**No. of options**
		ESOP 2003	73125
		ESOP 2005	36375
		SESOP 2005	6650
		ESOP 2011	146131
		Total	**262281**

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	**Plan**	**Amount (₹)**	
		ESOP 2003	35078610.71	
		ESOP 2005	55195197.00	
		SESOP 2005	13504591.16	
		ESOP 2011	24523994.30	
		Total	**128302393.17**	
i)	Total no. of options in force	**Plan**	**No. of options**	
		ESOP 2003	763615	
		ESOP 2005	751920	
		SESOP 2005	430119	
		SESOP 2011	306780	
		ESOP 2011	2259047	
		Total	**4511481**	
j)	Employee-wise details of options granted to			
	i. Senior Managerial Personnel		**No. of Options**	**Plan**
		Dr. Kamal K. Sharma	50000	ESOP 2005
	ii. Employees to whom options granted amounting to 5% or more, of the total options granted during the year		**No. of Options**	**Plan**
		Dr. Kamal K. Sharma	50000	ESOP 2005
	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 31.03.2013, calculated in accordance with Accounting Standard (AS) 20 'Earnings per share'	₹ 28.07		
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	Net Income would be lower by ₹ 229.50 mn. Adjusted EPS: - Basic : ₹ 27.68 - Diluted : ₹ 27.56		
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	(i) Weighted average exercise price of options granted during the year whose :-		
		a. Exercise price equals market price : ₹ 562.79 b. Exercise price is greater than market price : N.A. c. Exercise price is less than the market price : ₹ 291.93		
		(ii) Weighted average fair value of options granted during the year whose :-		
		a. Exercise price equals market price : ₹ 265.57 b. Exercise price is greater than market price : N.A. c. Exercise price is less than the market price : ₹ 378.62		

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 model. • 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 2011**	**SESOP 2011**	**SESOP 2011**	**ESOP 2011**	**ESOP 2011**	**ESOP 2011**
Grant date	06.11.12	22.02.13	26.07.12	22.02.13	12.03.13	17.08.12	24.08.12	17.10.12
Risk free rate (%)	8.18	7.87	8.07	7.87	7.92	8.27	8.25	8.16
Expected life (years)	5.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Volatility (%)	33.68	33.36	34.55	33.36	33.28	34.45	34.38	34.25
Dividend yield (%)	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Stock price (NSE closing rate) ₹	588.05	600.60	565.55	600.60	600.00	570.50	581.75	571.75
Option Fair Value ₹	**378.62**	**268.11**	**250.35**	**268.11**	**265.57**	**265.53**	**266.60**	**264.84**

ESOP 2003 - Lupin Employees Stock Option Plan 2003

ESOP 2005 - Lupin Employees Stock Option Plan 2005

SESOP 2005 - Lupin Subsidiary Companies Employees Stock Option Plan 2005

SESOP 2011 - Lupin Subsidiary Companies Employees Stock Option Plan 2011

ESOP 2011 - Lupin Employees Stock Option Plan 2011

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman
Mumbai, May 8, 2013

CORPORATE GOVERNANCE REPORT

[1] **Company's Philosophy on Corporate Governance:**

Your Company has a legacy of good Corporate Governance with its commitment to values and ethical conduct of business. Corporate Governance signifies a set of processes which the Company adheres to so as to maintain the highest standards of fairness, transparency, trusteeship, professionalism and values that are embedded across all facets of its activities. Your Company firmly believes that it is imperative to adopt transparent accounting policies, appropriate disclosure norms, best Board practices and high standards of corporate conduct towards its stakeholders.

The Company's Board has a balanced mix of executive and non-executive independent directors who are well experienced, competent and highly respected persons in their fields. The Board is active in the Company's affairs and committed to evolving and adopting the best practices of Corporate Governance on an on-going basis.

The Company has complied with all the mandatory requirements as also a few non-mandatory requirements prescribed by Clause 49 of the Listing Agreement. The Company has implemented non-mandatory requirements, such as formation of 'Remuneration Committee' and 'Whistle Blower Policy'. Codes of Conduct have been adopted by the directors and senior management personnel and they have been posted on the website of the Company (www.lupinworld.com). All Board members and senior management personnel have affirmed compliance with the codes of conduct for the year ended March 31, 2013. Pursuant to Clause 49(I)(D) of the Listing Agreement, requisite declaration to this effect has been made by the Managing Director.

A Whistle Blower Policy has been instituted across the Company and its subsidiaries that reflects the organizational values and guiding principles. Employees are encouraged/empowered to report any violations of or contradictions in this policy in strictest possible confidence. The Whistle Blower Policy lays down the rules and procedures under which employees could complain of any suspected wrongdoings or fraudulent practices by any other employee, irrespective of their staff grade or operating level. The Company views whistle blowers as a witness to an event and takes complete responsibility to protect such an individual against any discrimination, persecution, retaliation or retribution. All complaints are dealt with diligence and care and responded to in a prompt and professional manner by the Office of the Ombudsperson, which is the final authority for investigation and decision-making in such matters. This Ombudsperson Committee comprises two senior executives and an executive director.

The Company has sound systems of internal checks and balances which are evaluated and updated at regular intervals. 'Kavach', an information security policy, was implemented to create awareness about various security concerns. It broadly encompasses protecting assets, evaluating security risks as also ensuring compliances on a sustainable basis. The Company has a comprehensive risk management policy, wherein key risks are assessed and also rated in terms of their probability and impact on the organisation. Risks are deliberated upon at management meetings for taking remedial measures. Risks are identified by organizing interviews, interactive sessions and workshops at different levels at various locations. The system monitors risks, operational efficiency, likely impact of risks and effectiveness of compliance with applicable laws. Internal auditor prepares process flow charts of each business process, fine-tunes risk grading methodology and finalises risk score calculations. There was no audit qualification in the financial statements for the year ended March 31, 2013 and the Company continues to be in the regime of unqualified financial statements.

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, 2013 was ten, of which, three are executive promoter-directors, one is a non-executive promoter director, another an executive director and five are independent directors. This 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.	4	4	Yes	10	-
2.	Dr. Kamal K. Sharma, *Managing Director*	E.D.	4	4	Yes	6	-
3.	Mrs. M. D. Gupta, *Executive Director*	P. & E.D.	4	4	Yes	10	-
4.	Ms. Vinita Gupta	P. & N-E.D.	4	4	Yes	2	-
5.	Mr. Nilesh Gupta, *Executive Director*	P. & E.D.	4	4	Yes	6	-
6.	Dr. Vijay Kelkar	I. N-E.D.	4	3	Yes	9	3/-
7.	Mr. Richard Zahn	I. N-E.D.	4	3	Yes	1	-
8.	Mr. R. A. Shah	I. N-E.D.	4	4	Yes	18	9/4
9.	Dr. K. U. Mada	I. N-E.D.	4	4	Yes	3	5/2
10.	Mr. D. K. Contractor *(up to 23.10.2012)*	I. N-E.D.	3	3	Yes	4	2/-
11.	Mr. Dileep C. Choksi *(w.e.f. 23.10.2012)*	I. N-E.D.	2	2	N.A.	9	7/3

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 and four Alternate directorships of public limited companies.

(c) Mrs. M. D. Gupta is the wife of Dr. Desh Bandhu Gupta, Ms. 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.

(e) Mr. D. K. Contractor stepped down from the directorship of the Company w.e.f. October 23, 2012 on health grounds. Mr. Dileep C. Choksi was appointed as an Additional Director w.e.f. October 23, 2012 and holds office up to the date of the forthcoming Annual General Meeting. Notices along with requisite deposits pursuant to the provisions of Section 257 of the Companies Act, 1956, have been received from certain members proposing the appointment of Mr. Choksi as a Director of the Company, which will be considered, at the forthcoming Annual General Meeting.

Board Meetings

The Board of Directors oversees management performance so as to ensure that the Company adheres to the highest standards of corporate governance. The Board provides leadership and guidance to the management and evaluates the effectiveness of management policies. It gives strategic directions for achieving set goals. Board meeting dates are finalised in consultation with all directors and agenda papers, accompanied by comprehensive notes on items under consideration, are circulated well in advance before the meeting date so that the Board could take informed decisions and discharge its functions. The Board is regularly apprised of important business-related information and developments. Detailed presentations are made by key management personnel and business heads on important matters. Board Members express opinions and bring up matters for discussions at the meetings. Minutes of the Board meetings are circulated to all directors in advance and confirmed at the subsequent meetings. Copies of minutes of the various Committees of the Board, minutes of Board meetings of subsidiaries of the Company and Compliance Report in respect of various laws and regulations applicable to the Company are tabled at Board meetings.

Details of Board Meetings

The Board meets at least four times a year and the time-gap between two meetings is not more than four months, which is in compliance with Clause 49 of the Listing Agreement. During the year, four Board meetings were held on May 10, 2012, July 24, 2012, October 23, 2012 and January 31, 2013. The Board also passed by circulation two resolutions dated September 27, 2012 and December 18, 2012.

Remuneration to Executive Directors

	Remuneration during 2012-13 (₹ 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	49.16	3.60	28.39
Benefits / Allowances	5.02	6.04	0.70	0.83
Provident Fund / Superannuation	4.86	10.20	0.97	6.02
Variable Component:				
Performance-Linked Incentive	-	25.18	-	14.86
Commission [Note (b)]	178.00	-	-	-
Stock Options	-	32.78	-	-
Total:	**219.68**	**123.36**	**5.27**	**50.10**

Remuneration to Non - Executive Directors

Sl. No.	Name of the director	No. of equity shares held	Remuneration during 2012-13 (₹ million)		
			Sitting fees	Commission [Note (c)]	Total
1.	Ms. Vinita Gupta	51600	0.08	-	0.08
2.	Dr. Vijay Kelkar	Nil	0.08	3.00	3.08
3.	Mr. Richard Zahn	Nil	0.06	2.30	2.36
4.	Mr. R. A. Shah	15000	0.11	3.00	3.11
5.	Dr. K. U. Mada	3350	0.30	2.50	2.80
6.	Mr. D. K. Contractor *(up to 23.10.2012)*	13300	0.17	0.43	0.60
7.	Mr. Dileep C. Choksi *(w.e.f. 23.10.2012)*	Nil	0.10	1.10	1.20

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, 2015 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 which would be paid after the members approve the audited accounts for the year ended, March 31, 2013, at the forthcoming Annual General Meeting.

(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 ₹ 12.33 million has been provided towards commission payable to non-executive directors for the year 2012-13 which would be paid after the members approve the audited accounts for the year ended, March 31, 2013, at the forthcoming Annual General Meeting.

(d) On November 6, 2012, 50,000 stock options were granted to Dr. Kamal K. Sharma at an exercise price of ₹ 291.93 (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 ₹ 0.12 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 appointment/ re-appointment at the 31st Annual General Meeting: -

Dr. Kamal K. Sharma

Dr. Kamal K. Sharma is a chemical engineer from the Indian Institute of Technology (IIT), Kanpur with a post-graduate diploma in industrial management from the Jamnalal Bajaj Institute of Management Studies, Mumbai and a Ph.D. in Economics from IIT, Mumbai. He has also completed an advanced management programme from Harvard Business School, Boston. Dr. Sharma has vast industry experience spanning over three decades and has held several senior management positions in the fields of projects, operations, corporate development and general management in pharma and chemical industries.

Dr. Sharma is presently Managing Director of the Company. The Board at its meeting held on May 8, 2013 elevated him as Vice Chairman w.e.f. September 1, 2013, subject to necessary approvals.

List of other directorships	Chairman/Member of the Committees of the board of the companies on which he is a director
Kyowa Pharmaceutical Industry Co., Ltd., Japan, *Director* Generic Health Pty Ltd., Australia, *Director* Pharma Dynamics (Proprietary) Ltd., South Africa, *Director* Lupin Healthcare Ltd., *Director* Faisa Financial Pvt. Ltd., *Director* Templetree Properties Pvt. Ltd., *Director*	-

Ms. Vinita Gupta

Ms. Vinita Gupta, an M.B.A. from the J. L. Kellogg Graduate School of Management, USA and a pharmacy graduate from the University of Mumbai, was responsible for developing the Company's entry strategy into North America and Europe. Ms. Vinita has been responsible for establishing the Company's strong presence in the US, the largest market of the Company and Europe by forging alliances with several marketing and distribution partners. She has established the Company's brand and generic business in the US and also oversees the Company's US FDA filings. Ms. Vinita is presently designated Group President & Chief Executive Officer of Lupin Pharmaceuticals, Inc., USA, (LPI) a wholly-owned subsidiary of the Company. Today, LPI is a successful specialty pharmaceutical company in the US with a growing presence in the branded as well as generic pharmaceutical industry.

The Board of Directors at its meeting held on May 8, 2013 appointed Ms. Vinita as Chief Executive Officer of the Company w.e.f. September 1, 2013, subject to necessary approvals.

List of other directorships	Chairman/Member of the Committees of the board of the companies on which she is a director
Lupin Pharmaceuticals Inc., USA, *Group President and Managing Director* Kyowa Pharmaceutical Industry Co. Ltd., Japan, *Director*	-

Mr. Nilesh Gupta

Mr. Nilesh Gupta is a chemical engineer from UDCT, Mumbai and a graduate with honours from the Wharton School, USA specializing in healthcare, strategic management and finance. His diverse portfolio includes Intellectual Property, Strategy & Management, Research & Development, Projects, Manufacturing, QA and Supply Chain Management. Mr. Gupta has demonstrated exemplary performance in integrating and leading this diversified portfolio and ably contributing to the growth and profitability of the Advanced markets (US & EU) in particular and the Company in general. He directed the IP strategy of the Company towards achieving niche position for the chosen products which enabled the Company achieve sustainable revenue/profit. Under his leadership, the team ensured flawless and immaculately timed launches of several products in the international market. He is a sound business leader and team builder.

Mr. Gupta is presently Executive Director of the Company. The Board at its meeting held on May 8, 2013 decided to appoint him as the Managing Director w.e.f. September 1, 2013, subject to necessary approvals.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
Kyowa Pharmaceutical Industry Co. Ltd., Japan, *Director* Lupin Healthcare Ltd., *Director* Lupin International Pvt. Ltd., *Director* Lupin Performance Chemicals & Real Estate Ltd., *Director* Rahas Investments Pvt. Ltd., *Director* Zyma Laboratories Ltd., *Director*	-

Mr. Dileep C. Choksi

Mr. Dileep C. Choksi is a leading Chartered Accountant, qualified lawyer and a Cost Accountant with over 35 years of experience. His areas of specialisation include tax planning and structuring for domestic and international clients, including expatriates, finalising collaborations and joint ventures, executive advisory and decision support, corporate restructuring with a focus on start-ups, turnaround and change management strategies and analysing tax impact of various instruments. Mr. Choksi advises some of India's large business houses on various strategic matters and multinational clients on cross border structuring. Mr. Choksi was the former Joint Managing Partner of Deloitte in India. He has set up C. C. Chokshi Advisors Pvt. Ltd., the activities of which aim to provide complete solutions for all business requirements.

List of other directorships	Chairman/Member of the Committees of the Board of the companies on which he is a director
ICICI Lombard General Insurance Company Limited, *Director* ICICI Prudential Asset Management Company Limited, *Director* NSE. IT Limited, *Director* Reliance GeneMedix Plc., *Director* 3i Infotech Limited, *Director* ICICI Home Finance Company Limited, *Director* Ace Derivatives and Commodity Exchange Limited, *Director* Datamatics Global Services Limited, *Director* Mafatlal Cipherspace Private Limited, *Director*	ICICI Lombard General Insurance Company Limited, *Chairman of Audit Committee*. NSE. IT Limited, *Chairman of Audit Committee*. ICICI Prudential Asset Management Company Limited, *Member of Audit Committee*. Reliance GeneMedix Plc., *Member of Audit Committee*. 3i Infotech Limited, *Chairman of Audit Committee*. ICICI Home Finance Company Limited, *Member of Audit Committee*. Ace Derivatives and Commodity Exchange Limited, *Member of Audit Committee.*

[3] Audit Committee:

The Audit Committee comprises Dr. K. U. Mada (Chairman) and Mr. Dileep C. Choksi (w.e.f. October 23, 2012), independent directors, and Dr. Kamal K. Sharma, Managing Director. Mr. R. V. Satam, Company Secretary & Compliance Officer, acts as the Secretary of the Committee. Mr. D. K. Contractor, who had resigned from the directorship of the Company w.e.f. October 23, 2012, on health grounds, was Member of the Committee. Mr. Choksi was appointed as Member of the Committee w.e.f. October 23, 2012 in place of Mr. Contractor. Dr. Mada, Chairman of the Committee, attended the last Annual General Meeting of the members held on July 24, 2012. All the members of the Committee are financially literate. While Dr. Mada is an eminent economist and development banker, Mr. Choksi is a leading Chartered Accountant. The Committee addresses matters pertaining to reliability of financial statements, appropriateness of audit test checks, internal controls and adequacy of provisions for liabilities. The Committee acts as a link between statutory auditors, internal and cost auditors and the Board. The meetings of the Committee are attended by the finance head, representatives of accounts, and statutory, internal and cost auditors. The Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

The Committee performs the functions enumerated in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The matters deliberated upon and reviewed by the Committee inter alia 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 included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
b) changes, if any, in accounting policies and practices and reasons therefor;
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, if any;
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, its staffing, reporting structure, coverage and frequency of audits.
7) Discussion with the internal auditors on their 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 as to the nature and scope of audit as also post-audit discussion to ascertain areas of concern.
10) Looking 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, seven meetings of the Audit Committee were held on April 25, 2012, May 10, 2012, July 24, 2012, October 23, 2012, December 18, 2012, January 31, 2013 and March 20, 2013 and the attendance was as follows: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, *Chairman*	7	7
b.	Dr. Kamal K. Sharma	7	6
c.	Mr. D. K. Contractor *(up to 23.10.2012)*	4	4
d.	Mr. Dileep C. Choksi *(w.e.f. 23.10.2012)*	3	3

[4] Investors' Grievances Committee:

The Investors' Grievances Committee comprises Dr. Vijay Kelkar, Chairman (w.e.f. October 23, 2012) and Dr. K. U. Mada, independent directors. Mr. R. V. Satam, Company Secretary & Compliance Officer, acts as the Secretary of the Committee. Mr. D. K. Contractor was Chairman of the Committee up to October 23, 2012. Dr. Vijay Kelkar was appointed as Member/Chairman of the Committee w.e.f. October 23, 2012 in place of Mr. Contractor.

The Committee regularly reviews the functioning of the Investors' Services Department covering all facets of operations, including transfer of shares, compliances with regulatory provisions, implementation of employee stock options plans, activities related to dividend disbursement and depository operations. The Committee also closely monitors investor grievances redressal system of the Department.

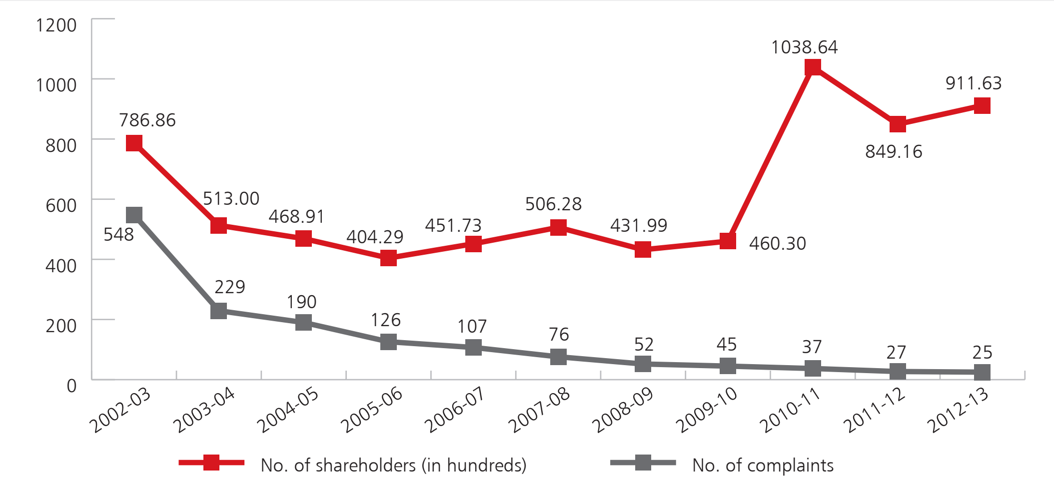
The Company received and resolved 25 complaints from shareowners during the year. As on March 31, 2013, no complaints remained pending/unattended and no share transfers remained pending for over 15 days, during the year.

Details of Investors' Grievances Committee Meetings

During the year, two meetings of the Investors' Grievances Committee were held on September 26, 2012 and March 20, 2013 and the attendance was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. Vijay Kelkar, *Chairman (w.e.f. 23.10.2012)*	1	1
b.	Mr. D. K. Contractor, *Chairman (up to 23.10.2012)*	1	1
c.	Dr. K. U. Mada	2	2

Number of shareholders vis-à-vis number of complaints:



[5] Remuneration Committee:

The Remuneration Committee comprises Dr. K. U. Mada (Chairman) and Mr. R. A. Shah, both independent directors. Mr. R. V. Satam, Company Secretary & Compliance Officer, is the Secretary of the Committee. The Committee performs functions enumerated in Clause 49 of the Listing Agreement and Schedule XIII of the Companies Act, 1956. The Committee reviews as well as recommends to the Board, the remuneration of executive directors. Grant of stock options to employees of the Company and its subsidiaries is also approved by the Committee. The Committee recommends the remuneration package after considering factors, such as experience, expertise, leadership qualities, position, responsibilities shouldered by the individual, volume of Company's business as well as profits earned by it. The Company follows a market-linked remuneration policy. The Company has formulated employees' stock options plans to attract, retain and reward talented and qualified personnel and create a sense of belonging among them.

Details of the Remuneration Committee Meetings

During the year, three meetings of the Remuneration Committee were held on July 26, 2012, October 23, 2012 and February 22, 2013 and the attendance was as under: -

Sl. No.	Name of the director	No. of Meetings	
		Held	Attended
a.	Dr. K. U. Mada, *Chairman*	3	3
b.	Mr. R. A. Shah	3	3

The Committee passed by circulation five resolutions dated August 17, 2012, August 24, 2012, October 17, 2012, November 6, 2012 and March 12, 2013.

[6] General Body Meetings:

Details of the last three Annual General Meetings: -

Year	Day, Date and Time	Location	No. of Special Resolutions passed
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	-
2011 - 12	Tuesday, July 24, 2012 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.

During the year, an Ordinary Resolution with a majority of 99.68% was passed by postal ballot for the re-appointment of Dr. Kamal K. Sharma for a period of three years, effective September 29, 2012, as the Managing Director or other mutually agreed capacity and approve the remuneration payable to him.

Ms. Neena Bhatia, practicing Company Secretary, acted as the Scrutiniser for conducting the postal ballot. Procedure prescribed by Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, were followed for conducting the said ballot. Postal ballot forms with full particulars of shareholders duly printed thereon were sent in self-addressed postage pre-paid envelopes together with the notice and explanatory statement specifying the resolution proposed to be passed by postal ballot.

The Company offered e-voting facility to its shareholders through the e-voting system of the National Securities Depository Limited (NSDL) as an alternate. Emails containing detailed procedure for e-voting were sent to those Members whose e-mail IDs are registered for receipt of documents in electronic mode under the Green Initiative of the Ministry of Corporate Affairs, Government of India. Members holding shares in physical/demat form could opt to exercise voting rights through physical ballot or e-voting. Shareholders were requested to return the duly completed postal ballot forms to the Scrutiniser within the prescribed time. Similarly e-voting could be exercised up to the prescribed time. Physical postal ballot forms received from shareholders were duly numbered, segregated and scrutinized by the Scrutiniser. A Report was received from the NSDL on e-voting. The Scrutiniser considered valid physical postal ballot forms received as also the data received from the NSDL in her Report, which was handed over to the Chairman of the Company who announced the results. Results of the postal ballot were promptly displayed on the notice board at the registered office of the Company, published in the newspapers and hoisted on the Company's website.

[7] Disclosure on materially significant related party transactions:

During the year under review, the Company did not have any materially significant related party transactions with its promoters, directors and/or their relatives, management etc. which may have potential conflict with the interests of the Company. Statements of transactions with related parties in the ordinary course of business and material individual transactions with related parties, which were not in the normal course of business, are placed at Audit Committee meetings and reviewed by the Committee. Details 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 and the same is placed at every Board meeting and signed by the directors present. During the year, M/s. Crawford Bayley & Co., Solicitors & Advocates (of which Mr. R. A. Shah is a senior partner) was paid ₹ 0.12 million towards professional fees. Apart from sitting fees, commission and professional fees, there is no pecuniary transaction with non-executive directors of the Company. In compliance with Accounting Standard AS 18, details of related party transactions are disclosed in the notes to accounts that form part of the Balance Sheet and the Statement of Profit and Loss for the year.

The Company has complied with all requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters pertaining to capital markets during the last three years and they have not imposed any penalties on, or passed any strictures against the Company.

[8] Means of communication:

Quarterly and annual financial results of the Company are submitted to the stock exchanges immediately after the Board approves them. Thereafter, they are published in prominent English (The Economic Times, all editions) and Marathi (Maharashtra Times, Mumbai edition) newspapers. The results are also posted on the Company's website viz. www.lupinworld.com. Pursuant to 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.

[9] General Members' information:

INVESTORS' SERVICES DEPARTMENT – AT THE SERVICE OF THE ESTEEMED INVESTORS

Investors' Services Department (ISD) located at the Registered Office of the Company is dedicated to its shareowners. Expeditious response to the investors' queries / complaints and maintaining highest standards of regulatory compliances related to shares are the thrust areas of the ISD.

Accent and focus of ISD is towards providing innovative and proactive services to its shareowners, besides prompt adherence to regulatory provisions. ISD has fine-tuned its service delivery mechanism over the years and is committed through its proficient and experienced team to achieve its objectives.

Your Company 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 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
- Disbursement of dividend
- Execution of corporate actions and other depository operations
- Implementation of Code of Conduct for prevention of insider trading
- Allotment of shares and listing thereof on the stock exchanges
- Liasoning with stock exchanges, depositories and other regulatory bodies
- ESOP management - including liasoning with local and overseas employees
- Updation of share related data on Company's official website
- Investor Education and Protection Fund (IEPF)
- Unclaimed shares
- Management of postal ballots
- Data communication through:
  - o NSE Electronic Application Processing System (NEAPS),
  - o Corporate Filing & Dissemination System (CFDS),
  - o SEBI Complaints Redress System (SCORES),
  - o MCA website for uploading list of unclaimed dividend, and
  - o NSDL and CDSL websites for uploading DNRs.

The ISD 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.

Exclusive email id for investors:

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

• investorservices@lupinpharma.com

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

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

ANNUAL GENERAL MEETING

The 31st Annual General Meeting will be held at 2.30 p.m. on Wednesday, August 7, 2013, at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050.

FINANCIAL CALENDAR

First quarter results	:	July/August 2013
Second quarter results	:	October/November 2013
Third quarter results	:	January/February 2014
Annual results	:	April/May 2014
Annual General Meeting	:	July/August 2014

BOOK CLOSURE

The Register of Members and the Share Transfer Register will remain closed from Wednesday, July 31, 2013 to Wednesday, August 7, 2013, (both days inclusive).

Dividend for the year ended March 31, 2013, if declared, at the Annual General Meeting, shall be paid to:

a) beneficial owners at the end of business day on Tuesday, July 30, 2013 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 Tuesday, July 30, 2013 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 2013-14 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.

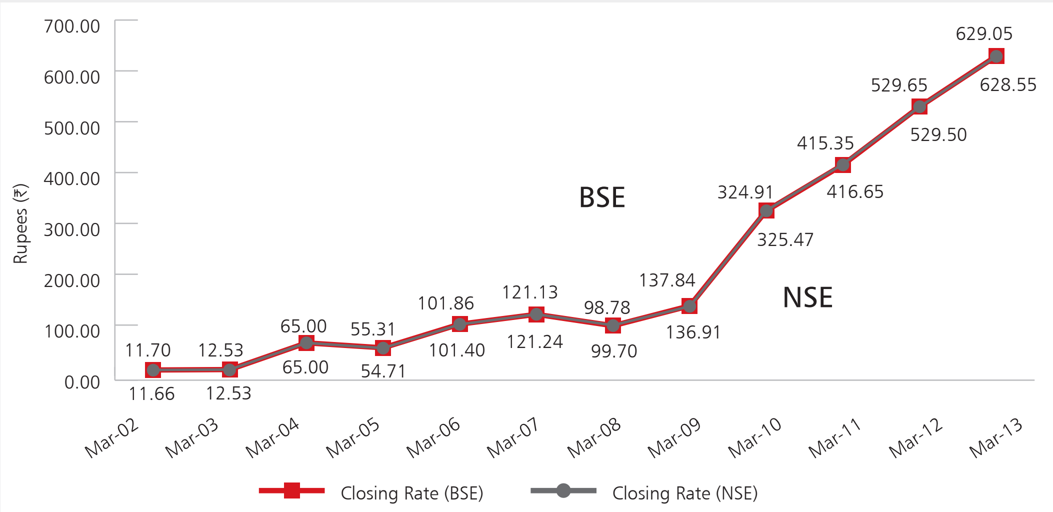
MARKET PRICE DATA

Equity shares of the Company are traded in A group and also forms a part of CNX Nifty. The market price data covering the year April 2012 to March 2013 is given below:

	BSE				NSE			
	₹		₹		₹		₹	
MONTH	High	Date	Low	Date	High	Date	Low	Date
Apr-2012	574.05	17.04.12	529.00	09.04.12	575.00	17.04.12	510.05	30.04.12
May-2012	559.50	08.05.12	507.70	11.05.12	562.50	08.05.12	507.50	11.05.12
Jun-2012	558.95	07.06.12	507.00	18.06.12	559.95	06.06.12	505.10	15.06.12
Jul-2012	604.00	31.07.12	536.00	03.07.12	604.00	31.07.12	532.10	12.07.12
Aug-2012	604.00	01.08.12	548.50	16.08.12	606.00	01.08.12	548.25	16.08.12
Sep-2012	631.90	10.09.12	540.95	17.09.12	631.95	10.09.12	554.10	17.09.12
Oct-2012	604.10	01.10.12	540.15	11.10.12	603.70	01.10.12	496.40	05.10.12
Nov-2012	594.80	30.11.12	557.10	19.11.12	594.80	30.11.12	557.10	19.11.12
Dec-2012	623.50	19.12.12	583.90	03.12.12	623.50	27.12.12	582.10	03.12.12
Jan-2013	620.55	01.01.13	571.10	15.01.13	621.25	01.01.13	570.80	15.01.13
Feb-2013	625.80	01.02.13	577.40	15.02.13	626.00	01.02.13	577.20	15.02.13
Mar-2013	638.65	25.03.13	569.00	01.03.13	639.30	25.03.13	567.65	01.03.13

Lupin Share price movement

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



* 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

The Company's shares are traded compulsorily in dematerialised form and they can be dematerialised with both the depositories i.e. the National Securities Depository Limited and the Central Depository Services (India) Limited.

Your Company has established direct connectivity with the depositories and with a view to expedite the process of dematerialisation of Company's shares, requests for dematerialisation received from depository participants are being monitored regularly.

During the year, the Company has electronically confirmed requests for dematerialisation of 256615 equity shares. As on March 31, 2013, 99.44% of the share capital of the Company was held in dematerialised form.

Company's shares are fairly liquid on the bourses forming part of major indices and are traded actively at the BSE and the NSE. Trading data of the same for the year April 2012 to March 2013 is as under:

(Value in mn. ₹)

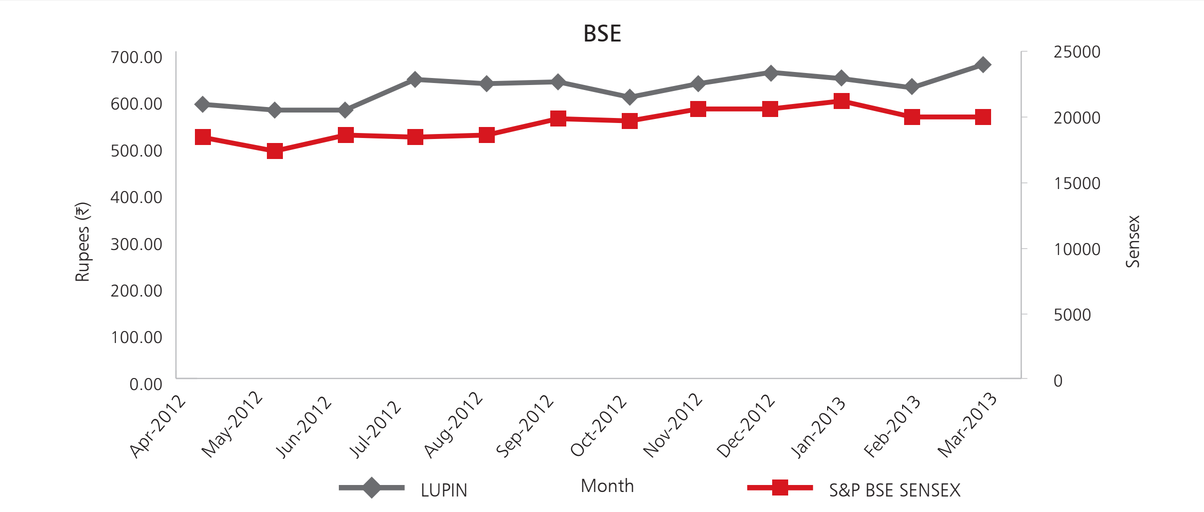
Month	BSE		NSE		Total	
	Shares	Value (₹)	Shares	Value (₹)	Shares	Value (₹)
Apr-2012	1084418	594.44	13258819	7289.41	14343237	7883.85
May-2012	1030591	552.78	14284659	7683.68	15315250	8236.46
Jun-2012	875088	464.01	12604427	6646.80	13479515	7110.81
Jul-2012	2181195	1228.68	15378223	8717.78	17559418	9946.46
Aug-2012	1023698	594.66	13833065	8013.63	14856763	8608.29
Sep-2012	2155835	1267.25	25320692	14938.47	27476527	16205.72
Oct-2012	1970773	1127.03	21764783	12409.57	23735556	13536.60
Nov-2012	1189308	686.29	12946050	7455.00	14135358	8141.29
Dec-2012	1883087	1130.78	13490668	8155.98	15373755	9286.76
Jan-2013	1894267	1128.06	16741251	9944.21	18635518	11072.27
Feb-2013	957145	573.94	11661092	6972.22	12618237	7546.16
Mar-2013	1223503	748.46	15995131	9795.06	17218634	10543.52
Total	**17468908**	**10096.38**	**187278860**	**108021.81**	**204747768**	**118118.19**

PERFORMANCE IN COMPARISON WITH BROAD BASED INDICES

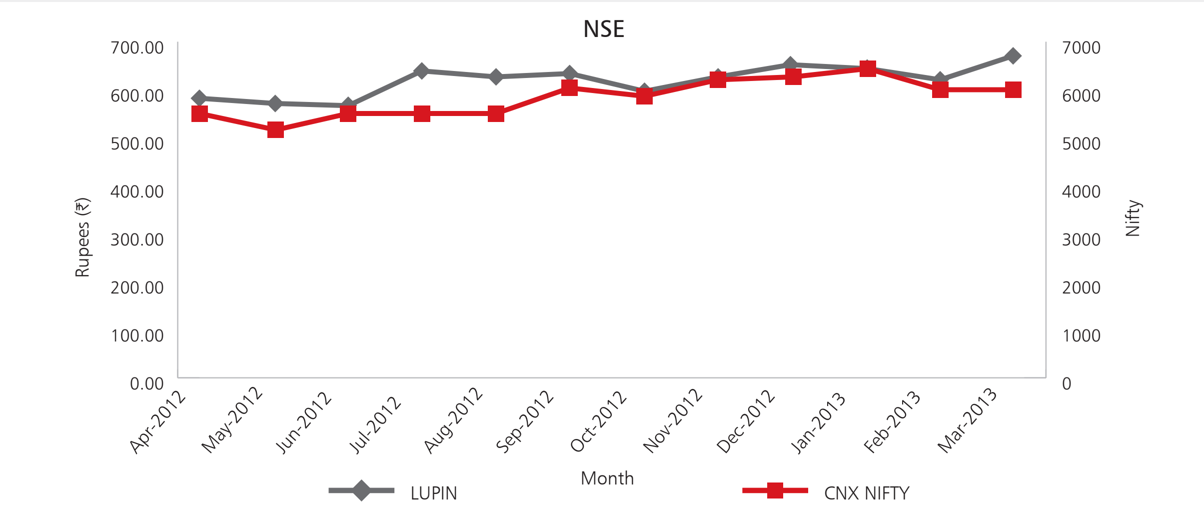
Lupin share price compared with S & P BSE Sensex and NSE CNX Nifty (Month-end closing) during the year, April 2012 to March 2013:

MONTH	BSE		NSE	
	Lupin share price (₹)	S&P BSE Sensex	Lupin share price (₹)	CNX Nifty
Apr – 2012	551.80	17318.81	552.40	5248.15
May – 2012	539.40	16218.53	541.70	4924.25
Jun – 2012	539.00	17429.98	537.15	5278.90
Jul – 2012	601.10	17236.18	600.90	5229.00
Aug – 2012	593.35	17429.56	593.10	5258.50
Sep – 2012	596.30	18762.74	595.95	5703.30
Oct – 2012	566.60	18505.38	566.45	5619.70
Nov – 2012	590.70	19339.90	591.00	5879.85
Dec – 2012	613.30	19426.71	613.85	5905.10
Jan – 2013	604.45	19894.98	604.30	6034.75
Feb – 2013	585.20	18861.54	584.95	5693.05
Mar – 2013	629.05	18835.77	628.55	5682.55

LUPIN SHARE PRICE COMPARED TO S&P BSE SENSEX



LUPIN SHARE PRICE COMPARED TO NSE CNX NIFTY



EVOLUTION OF SHARE CAPITAL

Particulars of Equity Share Capital of the Company:

Year	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	5816742 shares upon conversion of FCCB 307541 shares under ESOP	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
2012 - 13	887812 shares under ESOP	887812	895058986

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

SHARE TRANSFER SYSTEM

Equity shares of the Company traded in demat form and are transferred only through depository system. The activities related to transfer of shares in physical form are carried out by the Investors' Services Department of the Company and placed before the Share Transfer Committee for its approval.

The Board has constituted Share Transfer Committee comprising Dr. Desh Bandhu Gupta, or in his absence, Dr. Kamal K. Sharma as the Chairman of the Committee and Mrs. M. D. Gupta and Mr. D. K. Contractor (up to October 23, 2012) and Dr. K. U. Mada (w.e.f. October 23, 2012) as the members.

After processing valid share transfer documents, the shares are transferred favouring respective transferees within 15 days from the date of receipt and the share certificates are forwarded to them after duly endorsing their names. During the year, 23 meetings of the Share Transfer Committee were held to approve transfer of 49850 equity shares in physical form.

Pursuant to Clause 47 C of the Listing Agreement, an audit of share transfer related activities are being undertaken on a half-yearly basis by a qualified Company Secretary in practice and the compliance certificate issued upon audit is submitted to the stock exchanges.

ALLOTMENT COMMITTEE

The Board has constituted Allotment Committee to approve the allotment of shares, comprising Dr. Desh Bandhu Gupta, or in his absence, Dr. Kamal K. Sharma as Chairman of the Committee and Mrs. M. D. Gupta as member.

The Allotment Committee met 13 times during the year. It approved allotment of 887812 shares to the employees, upon exercising the vested options granted to them under the Lupin Employees Stock Option Plans.

Allotment Committee delegated powers to the executives of the Company to comply with pre and post formalities in respect of allotment of shares viz. execution of corporate actions for crediting allotted shares to the demat account of the respective allotees and listing them with the stock exchanges etc.

UNCLAIMED SHARES

In terms of Clause 5A of the listing agreement, the Company had transferred 375150 unclaimed shares held by 1592 shareholders to the "Lupin Limited - Unclaimed Suspense Account" on February, 29, 2012. No claims were lodged for shares till March 31, 2012.

During the year, 33 shareholders have lodged their claims for 3750 shares and upon verification of documents submitted by them substantiating their claims, those 3750 shares were transferred from Unclaimed Suspense Account to their respective names either in demat or physical form, as preferred by the claimant shareholders. As on March 31, 2013, the balance in the Unclaimed Suspense Account was 371400 shares comprising 1559 shareholders. Voting rights on these shares shall remain frozen till the claim of the rightful shareowner is approved by the Company.

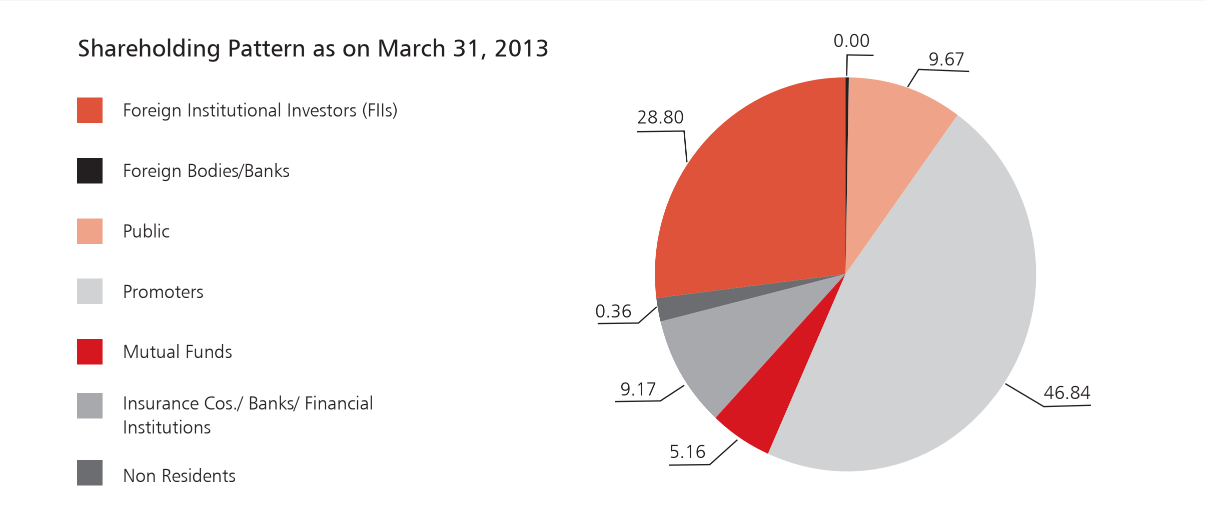
SHAREHOLDING PROFILE AS ON MARCH 31, 2013

i. Distribution of Shareholding

Shareholding range (No. of shares)	Shareholders		Shareholding	
	Numbers	%	Numbers	%
1 - 500	81718	89.64	6827570	1.53
501 - 1000	3178	3.49	2479989	0.55
1001 - 2000	3990	4.38	5177831	1.16
2001 - 3000	646	0.71	1623655	0.36
3001 - 4000	233	0.26	832486	0.19
4001 - 5000	196	0.21	918420	0.21
5001 - 10000	323	0.35	2334713	0.52
10001 and above	879	0.96	427334829	95.48
Total:	**91163**	**100.00**	**447529493**	**100.00**

ii. Shareholding Pattern

Category	As on 31.03.2013		As on 31.03.2012	
	No. of shares	%	No. of shares	%
Promoters	209601940	46.84	209601940	46.93
Mutual Funds	23085600	5.16	30137911	6.75
Insurance Cos./ Banks/ Financial Institutions	41036932	9.17	43685741	9.78
Foreign Institutional Investors (FIIs)	128874302	28.80	122933174	27.52
Foreign Bodies/Banks	2079	0.00	9784	0.00
Non Residents	1614532	0.36	581604	0.13
Public	43314108	9.67	39691527	8.89
Total:	**447529493**	**100.00**	**446641681**	**100.00**

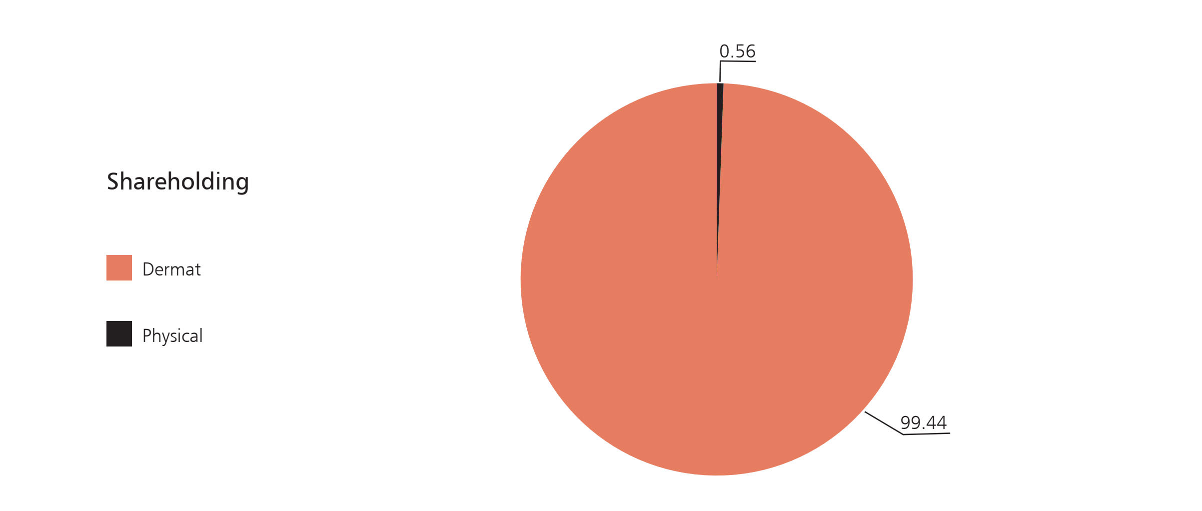


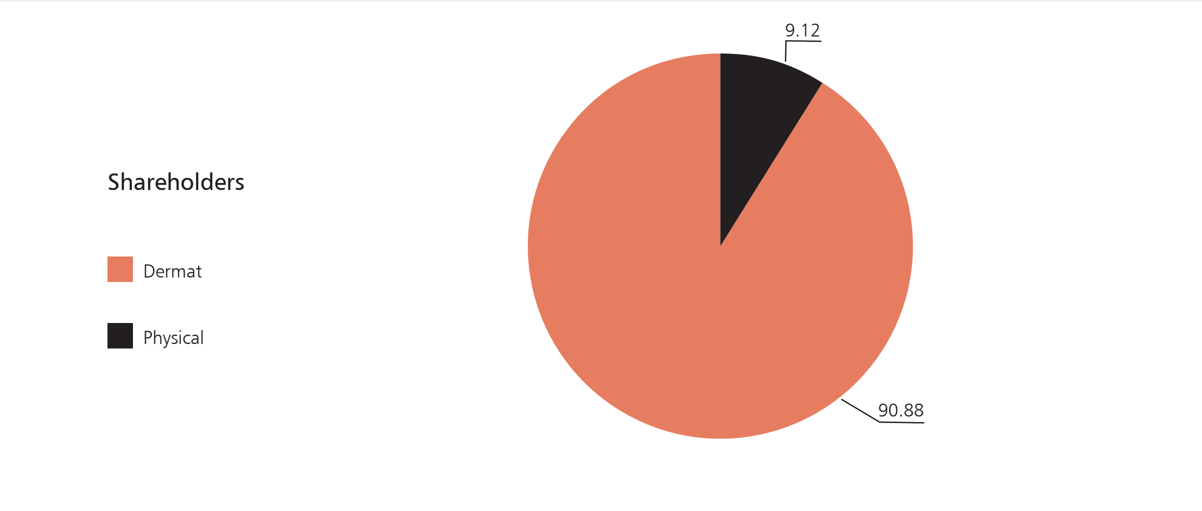
iii. Shareholders (non-promoter) holding more than 1% of the total shares issued

Name of the shareholder	No. of shares	%
Genesis Indian Investment Co. Ltd.	15921889	3.56
Life Insurance Corporation of India	12687221	2.83
ICICI Prudential Life Insurance Co. Ltd.	13927914	3.11
Mr. Rakesh Radheshyam Jhunjhunwala	9403405	2.10
HDFC Trustee Company Ltd.	7594647	1.70
Government Pension Fund Global	4721864	1.06

iv. Shareholding Profile

	Demat		Physical		Total
	(nos.)	%	(nos.)	%	(nos.)
Shareholding	445012744	99.44	2516749	0.56	447529493
Shareholders	82850	90.88	8313	9.12	91163





v. Geographical spread of Shareholders

State	Shareholders		State	Shareholders	
	Nos.	%		Nos.	%
Andhra Pradesh	3559	3.90	Madhya Pradesh	2068	2.27
Assam	371	0.41	Maharashtra	38493	42.22
Bihar	633	0.69	North Eastern States	82	0.09
Chhattisgarh	297	0.33	Orissa	566	0.62
Delhi	5262	5.77	Punjab	1504	1.65
Gujarat	8944	9.81	Rajasthan	2669	2.93
Haryana	1503	1.65	Tamilnadu	4455	4.89
Himachal Pradesh	134	0.15	Uttarakhand	1491	1.64
Jammu and Kashmir	162	0.18	Uttar Pradesh	4039	4.43
Jharkhand	1214	1.33	West Bengal	5730	6.29
Karnataka	5569	6.11	Others	1049	1.15
Kerala	1369	1.50			

DIVIDEND PROFILE

Particulars of dividend paid by the Company:

Financial year	Book closure/Record date	Dividend %	Date of declaration	Date of payment
2011 - 12	17.07.12 – 24.07.12	160	24.07.2012	25.07.2012
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

Note: Dividend for the year 2006-07 onwards was on enhanced share capital, consequent to the Bonus Issue in the ratio of 1:1.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading in shares of the Company. The Code is designed to maintain the highest ethical standards for dealing in shares of the Company by the senior officials including promoters, directors and auditors of the Company.

The Code of Conduct is implemented diligently mandating initial and continual disclosures besides annual disclosure on shareholding and half-yearly disclosure on the trading of shares in the Company. The Code restricts specified employees 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 of Company's shares by the insiders are subjected to certain restrictions, such as 'not dealing in shares during trading window closures','seeking pre-clearance of trade' etc., as envisaged in the Code. The Code has been disseminated through the Company's intranet for easy access and increased awareness and is updated from time to time.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

A thorough audit is conducted on a quarterly basis by a qualified practicing Company Secretary, in terms of Regulation 55A of SEBI (Depositories & Participants) Regulations, 1996, to reconcile the total admitted capital with NSDL and CDSL and those held in physical form with the total issued, paid up and listed capital of the Company.

The Reconciliation of Share Capital Audit Report, inter alia, confirms that the Register of Members is duly updated and 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 reports for each quarter-end during the year were submitted to the stock exchanges and were also placed before the meetings of the Board of Directors and the Investors' Grievances Committee.

EMPLOYEES STOCK OPTION PLANS (ESOP)

The Employees Stock Option Plans of the Company are 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 10 years from the date of each grant. Each option is convertible into one fully paid-up equity share of the face value of ₹ 2/- each.

During the year, the Company granted 59500 options under the 'Lupin Employees Stock Option Plan 2005' and 699750 options under the 'Lupin Employees Stock Option Plan 2011' to its employees and 145400 options under the 'Lupin Subsidiary Companies Employees Stock Option Plan 2011' to employees of the subsidiary companies, in eight separate grants.

In accordance with the terms of the respective stock option plan and other applicable provisions, the Company allotted 887812 shares during the year to those employees who have exercised their vested options, the details of which are as under:

Sl. No.	Date of allotment	No. of shares
1.	April 10, 2012	90920
2.	April 27, 2012	42173
3.	May 28, 2012	32550
4.	July 4, 2012	107529
5.	August 3, 2012	32425
6.	September 11, 2012	70235
7.	September 26, 2012	11649
8.	October 12, 2012	171675
9.	November 2, 2012	186044
10.	December 3, 2012	27319
11.	January 16, 2013	51226
12.	February 8, 2013	30464
13.	March 18, 2013	33603
	Total:	**887812**

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

UNCLAIMED DIVIDENDS

Dividends of the Company and that of the erstwhile Lupin Laboratories Limited for the financial years 1994-95 to 2004-05 which remained unclaimed/unpaid were transferred to the Investor Education and Protection Fund (IEPF) as and when due, pursuant to the relevant provisions. According to the guidelines, unpaid dividend amounts, once transferred to the IEPF, cannot be claimed.

With a view to safeguard interests of the shareholders, the Company initiates pro-active steps like sending personalised reminders to the shareholders concerned to claim their unpaid dividend from time to time and also before transferring them to IEPF. Further, the data of unclaimed/ unpaid dividend is uploaded on the websites of the Ministry of Corporate Affairs (MCA), Government of India, and also on the Company's official website www.lupinworld.com.

Unclaimed dividends for the years 2005-06 onwards will be transferred to the IEPF, as given below:

Financial Year	Date of Declaration	Due date for transfer to IEPF
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
2011 - 12	24.07.2012	29.08.2019

Shareholders are advised to confirm with their records and claim their dividend before the due date of transfer to IEPF, 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 8, 2013

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, 2013, 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 8, 2013

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

In accordance with Clause 49 1(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, 2013.

For **LUPIN LIMITED**

DR. KAMAL K. SHARMA
MANAGING DIRECTOR

Mumbai, May 8, 2013

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, 2013, 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 given to 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)

Mumbai, May 08, 2013

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L24100MH1983PLC029442
2. **Name of the Company:** LUPIN LIMITED
3. **Registered address:** 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.
4. **Website:** www.lupinworld.com
5. **E-mail id:** hosecretarial@lupinpharma.com
6. **Financial Year reported:** Year ended March 31, 2013.
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Industrial Group	Description
210	Manufacture of Pharmaceuticals.

As per National Industrial Classification - Ministry of Statistics and Programme Implementation.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
   Cardiovascular, Anti-Infective and Diabetology.
9. **Total number of locations where business activity is undertaken by the Company:**
   i. **Number of International Locations:**
      The Company has 18 international subsidiaries located in 13 countries. The Company also has Representative Offices in China, Russia, Ukraine, Kazakhstan, Uzbekistan and Vietnam.

   ii. **Number of National Locations:**
      The Company has nine plants situated at Aurangabad, Tarapur and Pune in Maharashtra, Ankleshwar and Dabhasa in Gujarat, Mandideep and Indore in Madhya Pradesh, Goa and Jammu. The Company's R&D Centre is located at Pune. The Registered office and Corporate office are in Mumbai. The Company also has 28 Carrying & Forwarding Agents and six Central Warehouses across the country.
10. **Markets served by the Company - Local/State/National/International:**
    In addition to serving the Indian market, the Company exports to around 82 countries worldwide.

Section B: Financial Details of the Company

1. **Paid up Capital (INR) :** ₹ 895.1 million.
2. **Total Turnover (INR) :** ₹ 70723.9 million (Standalone).
3. **Total profit after taxes (INR) :** ₹ 12604.3 million (Standalone).
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :** The Company's total spending on CSR for the year ended March 31, 2013 was ₹ 93.7 million which is 0.74% of profit after tax.
5. **List of activities in which expenditure in 4 above has been incurred:**
   a. Economic upliftment through agricultural development, animal husbandry, promotion of rural industries and financial inclusion of the rural poor.
   b. Social development through women empowerment, community health management, education and training.
   c. Natural resource management and infrastructure development.

Section C: Other Details

1. **Does the Company have any Subsidiary Companies?:**
   As on March 31, 2013, the Company had 19 subsidiaries.

2. **Do the Subsidiary Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**

   Of the 19 subsidiaries, 18 are foreign, which comply with the requirements of their respective countries. Lupin Healthcare Ltd., the Indian subsidiary, has not commenced commercial operations.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**

   While suppliers, distributors, etc. do not directly participate in the BR initiatives of the Company, they support the same.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

   a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

   - DIN Number : 00209430
   - Name : Dr. Kamal K. Sharma
   - Designation : Managing Director

   b) Details of the BR head:

Sl.No.	Particulars	Details
1.	DIN Number	00209430
2.	Name	Dr. Kamal K. Sharma
3.	Designation	Managing Director
4.	Telephone number	+9122 6640 2222
5.	e-mail id	hosecretarial@lupinpharma.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

Sl. No.	Questions	Business Ethics	Product Responsibility	Well-being of employees	Stakeholder engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y (The policy is broadly covered in various HR policies and practices as also codes of conduct)	Y	N	Y	Y

2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
		The policies are broadly based on the National Voluntary Guidelines on social, environmental and economical responsibilities of business issued by the Ministry of Corporate Affairs, Government of India. International Standards namely, ISO 14001 and 18001 are in place to respect, protect and restore the environment.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y (Signed by the MD)	Y (Signed by the QA Head)	Y (Signed by the HR Head)	Y (Signed by the CSR Head)	Y (Signed by the HR Head)	Y (Signed by the MD)	-	Y (Signed by the CSR Head)	Y (Signed by the Marketing Head)
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	*	@	@	@	*	@	-	*	*
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	N	Y	N	Y	Y	-	Y	Y

* URL: http://www.lupinworld.com

@ http://lupinap.lupinpharma.com/homepage.nsf

2 a. If answer to Sl.No.1 against any principle, is ‘No’, please explain why: (Tick up to 2 options)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	The Company is a member of various trade bodies, chambers and associations through which it has been advocating from time to time in a responsible manner, about measures to be taken by the government to address issues related to the pharmaceutical industry. However, no need has been felt to formulate a specific policy for the same.	-	-

3. Governance related to BR:
   - **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**
     Annually.
   - **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
     The Company does not publish a BR or a Sustainability Report; however, details pertaining to Corporate Social Responsibility have been presented in the Management Discussion and Analysis Report which forms a part of the Annual Report.

Section E: Principle-wise performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No.**
   Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Company strongly believes in the best practices in corporate governance in the true sense and spirit. Transparency and accountability are the two basic tenets of corporate governance and responsible corporate conduct is an integral part of the Company’s business. Codes of Conduct are in place for directors and senior management personnel and the same have been posted on the website of the Company www.lupinworld.com. The Whistle Blower Policy instituted across the Company and its subsidiaries 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 Codes 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.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

As stated in the Corporate Governance Report, the Company received and resolved 25 shareholder complaints during the year ended March 31, 2013.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   i. 'Cognistar' (Cerebroprotein Hydrolysate) for treatment of Stroke, TBI and Dementia.

   ii. 'Tonact' (Atorvastatin) for reducing Cholesterol.

   iii. 'Gluconorm' (Metformin) an Anti-Diabetes drug.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   i. **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

   The Company produces a wide range of branded and generic Formulations and APIs at its world-class manufacturing facilities. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at product level.

   ii **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The Company's products do not have any broad-based impact on energy and water consumption by consumers.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   There is a formulated operating procedure in place for approving vendors. Materials are procured from approved vendors (local as also international). In majority of the cases, the Company has regular vendors with whom it has longstanding business relations. Vendors, especially for key materials, are periodically audited by the quality assurance team of the Company. Annual freight contracts are entered into with leading transporters for transporting materials. The Company has received sustained support from its vendors.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**
   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company procures goods and avails of services from local and small vendors including those located around its manufacturing locations. The Company provides technical support and guidance to vendors in developing products. Procurement from local vendors is encouraged in order to promote them as also save on transportation and inventory carrying costs.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   The Company has a mechanism in place for recycling products and waste. About 30-35% of water recovered from waste water generated across the Company is recycled and reused in the plants instead of fresh water. Treated waste water is used for gardening premises in place of fresh water thereby reducing consumption of fresh water.

   About 25-30% of incinerable waste generated across some plants is sent for co-processing in cement kiln, which is used in place of fossil fuel in the cement industry. Efforts are on to extrapolate the same to other plants of the Company.

   Most of the solvents are recycled and reused.

Principle 3

1. **Please indicate the Total number of employees.**

   The Company had 12,351permanent employees as on March 31, 2013.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

   The Company had 3,911 employees as on March 31, 2013.

3. **Please indicate the number of permanent women employees.**

   The Company had 850 permanent women employees as on March 31, 2013.

4. **Please indicate the number of permanent employees with disabilities.**

   The Company had 20 employees with disabilities as on March 31, 2013.

5. **Do you have an employee association that is recognized by management?**

   The Company's Plants and Offices are situated at multiple places, thus, there are unions and association of employees at respective locations.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   About 7% of the permanent employees are members of recognised employee associations.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil, as the Company does not hire child labour, forced labour or involuntary labour.	N.A.
2.	Sexual harassment	Nil	N.A.
3.	Discriminatory employment	Nil	N.A.

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? (only safety training)**

   Permanent Employees: - While 100% operating personnel are trained, about 65-70% employees were retrained in safety. Safety training is imparted to employees at the time of joining the Company. Trainings include procedural, firefighting, first-aid, chemical safety, etc. While procedural safety trainings are imparted regularly, first-aid and firefighting trainings are given at scheduled intervals.

   Permanent Women Employees: - While 100% operating personnel are trained, about 60-70% employees were retrained in safety. There is no discrimination in imparting safety training to women employees vis-a-vis their male counterparts. Induction safety training is given to newly recruited women employees and other trainings like first aid etc. are imparted periodically.

   Casual/Temporary/Contractual Employees: - 100% of casual/temporary/contractual employees are trained.

   Employees with Disabilities: - There is no discrimination in imparting training to differently abled employees vis-a-vis their fellow employees.

Principle 4

1. **Has the Company mapped its internal and external stakeholders? Yes/No.**
   The Company has mapped its stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**
   The Company has identified the disadvantaged, vulnerable and marginalized stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**
   'Lupin Blue Eyes', a division of the Company, launched 'Punarjyoti' ('Rebirth of Eyes'), campaign, which promotes the noble message of eye donation after death. Each product pack from the division contains a unique insert of the eye donation form with helpline numbers and provides the patient, detailed information about the eye donation process.

   In line with its philosophy of contributing to the well-being of patients, the Company initiated various educational programmes for creating awareness about diseases across the spectrum. With an objective to increase understanding of diseases and their management, in the Indian context, the Company collaborated with Federation on Obstetric and Gynecological Societies of India for developing Poly Cystic Ovary Syndrome registry for the first time in India. Patient education programs namely, Lupin Angina Cell, for Angina patients and TEREOS Wellness Program, which provides free diagnostic support and nursing assistance to Osteoporosis patients were well received. Medical camps for screening and diagnosis of various therapy areas like Chronic Obstructive Pulmonary Disease, Asthma, Lipids, Anemia, Diabetes, Bone Mineral Density, etc. are regularly conducted.

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Company is committed to respect and protect human rights and the codes of conduct and human resource practices cover most of its aspects.The Company does not hire child labour, forced labour or involuntary labour.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the year under review, the Company did not receive any such complaint.

Principle 6

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others?**

   The policy covers the Company, its subsidiaries and all contractors working within the premises of the Company.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Conservation and optimum utilization of resources has always been a priority for the Company. The Environment, Health and Safety (EHS) policy of the Company lays stress on conservation of energy by eliminating/reducing waste (http://lupinap.lupinpharma.com/homepage.nsf). Efforts are directed towards exploring possibilities of reusing and recycling materials. Various energy-efficiency initiatives are taken with a view to reduce overall consumption. Water is a precious resource and the Company has a mechanism in place for recycling waste water.

   The Company has shifted from high Ozone depleting substances (R 11) being used as refrigerants to less/zero potential refrigerants like R 22/R 134A.

3. **Does the Company identify and assess potential environmental risks? Y/N.**

   Yes, all new facilities and products are risk assessed through internal and external mechanism which includes environmental impact assessment, development of environmental management plans. These environmental management plans are reviewed during internal review meetings.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   At present, the Company does not have any project related to Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   The Company has initiated an initiative to replace steam generating boilers running on fossil fuel to agro waste thereby saving precious fossil fuel.

   Some energy-efficient initiatives carried out at different locations of the Company were: -

   - Replacement of fluorescent tubes with LED lamps.
   - Installation and running of single DX units in place of two hermitically sealed compressors in AHU.
   - Conversion of low voltage power distribution lines to high voltage ones to reduce power distribution losses.
   - Installation of energy efficient filtration systems like ANF/Pressure filters in place of conventional centrifuges.
   - Use of variable frequency drives on utility services e.g. brine, chilled water, cooling water and raw water to reduce overall power consumption.
   - Provided VFDs on various pumps and reactors.

- o Harmonics high capacity VFDs upgraded from 6 pulse to 12 for harmonics reduction.
- o Maintaining near to unity power factor.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes and the same are monitored by both internal and approved external agencies.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There were no unresolved show cause/legal notices received from CPCB/SPCB.

Principle 7

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

   The Company is a member of various trade bodies, task forces and forums, chambers and associations inter alia: -

   a. Federation of Indian Chambers of Commerce and Industry (FICCI);

   b. Confederation of Indian Industry (CII);

   c. The Associated Chambers of Commerce and Industry (ASSOCHAM);

   d. Indian Pharmaceutical Association (IPA);

   e. Indian Drugs Manufacturers Association (IDMA);

   f. Bulk Drugs Manufacturers Association (BDA);

   g. Pharmaceutical Export Promotion Council of India (PHARMAEXCIL);

   h. Bombay Chamber of Commerce and Industry; and

   i. Federation of Indian Export Organisation (FIEO).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

   Over the years, the Company has advocated at various forums, about measures to be taken to address basic issues related to improvement of public health and promote balanced, sustainable economic development. Continuous efforts are being made to promote the use of generic medicines which would make medical treatment affordable to the under-privileged sections of the society. While the Company supports the government in its efforts to harness the country's innovation capabilities, measures are suggested to offer facilities and incentives viz., infrastructure and weighted tax deductions on expenditure incurred by Indian companies on research & development (R&D), to encourage investments in R&D.

Principle 8

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company strongly believes in giving back to the society in which it has flourished to ensure collective progress. The Company undertakes its Corporate Social Responsibility (CSR) activities with a mission to assist those less fortunate in rural India.

   The Company carried out CSR activities in pursuance of inclusive growth and development, focusing mainly on: -

   - Agricultural Development;
   - Animal Husbandry;
   - Promotion of Rural Industries;
   - Women empowerment;
   - Community Health Management;
   - Education and Training;

- Natural Resource Management; and
- Infrastructure Development.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The CSR activities of the Company are implemented mainly through Lupin Human Welfare and Research Foundation (LHWRF) which has evolved as one of the largest NGOs' in the country. LHWRF has a long-term commitment to transform rural lives across India and its main objectives are social, economic upliftment of families below the poverty line with special focus on women empowerment, healthcare and education. The Foundation has emerged as a social and economic catalyst empowering rural communities. Matashree Gomati Devi Jana Seva Nidhi, a sister organisation of LHWRF, was adjudged the best NGO by NABARD, for promotion and linkage of self-help groups in the state of Rajasthan.

3. **Have you done any impact assessment of your initiative?**

   The Company conducts impact assessment of its CSR initiatives through qualitative feedbacks collected from the beneficiaries of projects undertaken. Different projects are also undertaken in partnership with government / semi-government agencies who have their monitoring mechanisms.

4. **What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

   During the year ended March 31, 2013, an amount of ₹ 93.7 million was spent on various community development projects namely, education, healthcare, rural development, environment, safety, women empowerment, infrastructure and agricultural development.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Participatory approach is followed in the CSR activities by actively involving the community in the decision making process. Before initiating any CSR activity, needs of the communities are identified. With alternative sources of income such as dairy, vermin-compost, bio-gas, etc., farmers are becoming financially secured, thus, benefitting families below the poverty line as also those above. Savings pooled from members of self-help groups are used for inter-loaning.

Principle 9

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

   As on March 31, 2013, about 7% of customer complaints received during the year, were pending, which have since been resolved.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).**

   The Company follows all legal statutes with respect to product labeling and displaying of product information.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   Nil.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

   Consumer surveys are regularly carried out by the Company at doctor level.

For and on behalf of the Board of Directors

Dr. Desh Bandhu Gupta
Chairman
Mumbai, May 8, 2013

CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF LUPIN LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of LUPIN LIMITED (the "Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

(b) 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

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

Other Matter

We did not audit the financial statements of 16 subsidiaries, whose financial statements reflect total assets (net) of ₹ 20,378.1 million as at March 31, 2013, total revenues of ₹ 19,391.5 million and net cash outflows amounting to ₹ 746.1 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 by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

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

Place : Mumbai
Dated : May 8, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Note	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	895.1	893.3
Reserves and Surplus	3	51,146.7	39,235.6
		52,041.8	40,128.9
Minority Interest	43	594.5	722.9
Non-Current Liabilities			
Long-Term Borrowings	4	2,470.6	4,329.6
Deferred Tax Liabilities (net)	5	2,336.8	1,910.1
Other Long-Term Liabilities	6	501.2	757.5
Long-Term Provisions	7	1,124.5	770.2
		6,433.1	7,767.4
Current Liabilities			
Short-Term Borrowings	8	7,268.2	10,469.9
Trade Payables	9	15,430.9	13,792.8
Other Current Liabilities	10	3,810.4	3,771.7
Short-Term Provisions	11	3,559.7	3,168.6
		30,069.2	31,203.0
	TOTAL	**89,138.6**	**79,822.2**
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		24,133.9	20,577.0
Intangible Assets-Acquired		794.6	1,879.6
Capital Work-in-Progress		2,496.9	3,915.8
Intangible Assets Under Development		610.1	521.4
		28,035.5	26,893.8
Goodwill on Consolidation	41 (c)	5,073.2	5,040.0
Non-Current Investments	13	20.6	28.0
Deferred Tax Assets (net)	14	704.4	467.8
Long-Term Loans and Advances	15	3,873.6	3,969.4
		37,707.3	36,399.0
Current Assets			
Inventories	16	19,489.3	17,326.7
Trade Receivables	17	21,869.9	17,800.1
Cash and Bank Balances	18	4,348.8	4,024.7
Short-Term Loans and Advances	19	3,396.7	3,061.2
Other Current Assets	20	2,326.6	1,210.5
		51,431.3	43,423.2
	TOTAL	**89,138.6**	**79,822.2**
See accompanying notes forming part of the consolidated financial statements			

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

For **Lupin Limited**

K. A. Katki
Partner

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Nilesh Gupta
Executive Director

Vinita Gupta
Director

Dr. Vijay Kelkar
Director

Richard Zahn
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

Dileep C. Choksi
Director

Place : Mumbai
Dated : May 8, 2013

R. V. Satam
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	For the Current Year Ended 31.03.2013 ₹ in million	For the Previous Year Ended 31.03.2012 ₹ in million
INCOME:			
Revenue from Operations (Gross)	21	97,032.0	71,249.3
Less : Excise Duty		619.0	420.2
Revenue from Operations (Net)		96,413.0	70,829.1
Other Income	22	278.5	143.5
Total Revenue		**96,691.5**	**70,972.6**
EXPENSES:			
Cost of Raw and Packing Materials Consumed	23	22,243.0	18,138.6
Purchases of Stock-in-Trade		15,159.2	11,069.5
Changes in Inventories	24	(1,922.0)	(3,169.1)
of Finished Goods, Work-in-Process and Stock-in-Trade			
Employee Benefits Expense	25	12,487.9	9,695.3
Finance Costs	26	410.2	354.7
Depreciation and Amortisation Expense	12	3,321.9	2,275.2
Other Expenses	27	25,745.3	20,647.7
Total Expenses		**77,445.5**	**59,011.9**
Profit before Tax		**19,246.0**	**11,960.7**
Tax Expense / (Benefit):			
- Current Tax Expense		5,647.6	3,131.5
(Less) : MAT Credit Entitlement		-	(373.5)
- Tax expense for Prior Years		23.5	(1.8)
- Add : Reversal of MAT Credit for Prior Years		157.9	-
Net Current Tax Expense		5,829.0	2,756.2
- Deferred Tax (net)		12.6	329.4
Profit after Tax before Minority Interest		**13,404.4**	**8,875.1**
Less : Minority Interest		262.8	198.6
Profit for the year		**13,141.6**	**8,676.5**
Earnings per equity share (in ₹)	33		
Basic		**29.39**	**19.43**
Diluted		**29.26**	**19.36**
Face Value of Equity Share (in ₹)		2.00	2.00
See accompanying notes forming part of the consolidated financial statements			

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

For **Lupin Limited**

K. A. Katki
Partner

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

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Executive Director

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Director

Dr. Vijay Kelkar
Director

Richard Zahn
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

Dileep C. Choksi
Director

Place : Mumbai
Dated : May 8, 2013

R. V. Satam
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	For the Current Year ended 31.03.2013 ₹ in million	For the Previous Year ended 31.03.2012 ₹ in million
A. Cash Flow from Operating Activities		
Profit before Tax	19,246.0	11,960.7
Adjustments for:		
Depreciation and Amortisation Expense	3,321.9	2,275.2
Loss on sale / write-off of Fixed Assets (net)	144.9	178.4
Finance Costs	410.2	354.7
Loss / (Profit) on sale of Non-Current Investments (net)	-	(10.6)
Interest on Fixed Deposits with Banks	(115.9)	(80.4)
Dividend on Non-Current Investments	(0.5)	(1.5)
Provision for Doubtful Trade Receivables	51.8	3.3
Provision for Doubtful Advances	7.3	-
Expenses on Employees Stock Options / Stock Appreciation Rights	43.7	15.5
Provision for Impairment of Assets	256.8	-
Profit on Disposal of Subsidiary	(0.2)	-
Provision for Diminution in value of Non-Current Investments written back	(0.2)	(0.2)
Balances written back	-	(32.7)
Unrealised exchange loss / (gain) on revaluation / translation (net)	72.5	(99.6)
Net unrealised exchange difference during the year	4.2	(17.0)
Operating Profit before Working Capital Changes	23,442.5	14,545.8
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,009.1)	(4,156.4)
Trade Receivables	(3,924.8)	(2,842.8)
Short-Term Loans and Advances	(366.2)	(749.8)
Long-Term Loans and Advances	(277.3)	(251.7)
Other Current Assets	(989.4)	(377.1)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	1,464.2	2,285.3
Other Current Liabilities	37.4	(164.0)
Other Non-Current Liabilities	(20.8)	103.3
Short-Term Provisions	254.8	331.4
Long-Term Provisions	337.7	15.3
Cash Generated from Operations	17,949.0	8,739.3
Net Income tax paid	(5,438.7)	(3,138.9)
Net Cash Flow from Operating Activities	**12,510.3**	**5,600.4**
B. Cash Flow from Investing Activities		
Capital expenditure on fixed assets, including capital advances	(5,511.1)	(5,098.5)
Proceeds from sale of fixed assets	98.7	47.0
Proceeds from sale of Non-Current Investments	4.7	17.9
Consideration for acquisition of a subsidiary company	(102.1)	(2,289.4)
Bank balances not considered as Cash and cash equivalents (net)	174.8	(171.4)
Interest on Fixed Deposits with Banks	115.9	80.4
Dividend on Non-Current Investments	0.5	1.5
Net Cash used in Investing Activities	**(5,218.6)**	**(7,412.5)**

	For the Current Year ended 31.03.2013	For the Previous Year ended 31.03.2012
	₹ in million	₹ in million
C. Cash Flow from Financing Activities		
Proceeds from Long-Term Borrowings (net)	(1,468.8)	1,916.6
Proceeds from Short-Term Borrowings - Working Capital Loans (net)	(3,176.6)	1,150.0
Proceeds from issue of equity shares (ESOPs)	1.7	0.9
Securities Premium Received (ESOPs)	126.7	50.7
Finance Costs	(422.7)	(377.4)
Dividend paid	(1,434.0)	(1,415.9)
Tax on Dividend	(255.2)	(236.3)
Net Cash Flow (used in) / generated from Financing Activities	**(6,628.9)**	**1,088.6**
Net increase / (decrease) in Cash and Cash Equivalents	**662.8**	**(723.5)**
Cash and Cash equivalents as at the beginning of the year	2,446.5	2,958.8
Cash and Cash equivalents taken over on acquisition of subsidiary company	-	211.2
Cash and Cash equivalents as at the end of the year	**3,109.3**	**2,446.5**
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet (Refer note 18)	4,348.8	4,024.7
Unrealised gain on foreign currency cash and cash equivalents	(3.0)	(166.9)
Less : Bank balances not considered as Cash and Cash equivalents as defined in AS 3 - Cash Flow Statements (Refer note 18)	1,236.5	1,411.3
Cash and Cash equivalents as restated as at the year end	**3,109.3**	**2,446.5**

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.

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

K. A. Katki
Partner

For **Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
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Director

Dr. K. U. Mada
Director

Dileep C. Choksi
Director

R. V. Satam
Company Secretary

Place : Mumbai
Dated : May 8, 2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:
   a) Basis of accounting and preparation of Consolidated 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 Lupin Limited ("the Company"), namely March 31, 2013.
      ii) The Consolidated 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 Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Consolidated Financial Statements are consistent with those followed in the previous year.

   b) Principles of Consolidation:
      i) The Consolidated Financial Statements of the Company and its subsidiaries ("the Group") 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 as mentioned in those policies.
      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 Consolidated 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. Alternatively, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as "Capital Reserve" and shown under the head "Reserves and Surplus".
      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 Associates' 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 Consolidated 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. The Management believes that the estimates used in the preparation of the Consolidated Financial Statements are prudent and reasonable. 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 / Translations:

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) Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

iii) 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, where applicable.

iv) 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.

v) 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.

vi) 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 as 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 in foreign currency. 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 individually 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 individually 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 probable non - saleable return of goods from the customers, estimated on the basis of historical data of such returns.

Income from Research Services including sale of technology / know-how (rights, licenses, dossiers and other intangibles) is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

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 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
Intangible Assets (Trademark and Licences)	5 Years

Assets costing ₹ 5000/- or less are depreciated at 100% rate on prorata basis in the year of purchase.

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 10 years
Tools	5 years
Furniture and Fixtures	2 to 20 years
Vehicles	3 to 7 years
Intangibles	
- Marketing Rights	5 years
- Computer Software	5 years
- Trademark and Licences	3 to 10 years

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

iii) Subsidiary in USA

Assets	Estimated useful life
Computers	3 years
Furniture and Fittings	5 years
Office and Other Equipments	7 years
Software	5 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	5 years
Computer Software	3 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 Software	2 years
Trademarks	10 years
Dossiers / Licences	10 to 20 years *

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

vi) Subsidiary in Germany

Assets	Estimated useful life
Buildings*	10 to 30 years
Plant, Machinery and Equipments	5 to 15 years
Furniture and Fixtures	3 to 14 years
Computers	3 to 5 years
Computer Software	3 to 5 years
Marketing Rights	3 to 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	3 to 5 years
Vehicles (including under finance lease)	2 to 5 years
Furniture and Fixtures	5 years
Plant, Machinery and Equipments	3 to 5 years
Computer Software	3 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.

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 Group's contribution towards provident fund, social security and superannuation fund for certain eligible employees are considered to be defined contribution plans as the Group does not carry any further obligations, apart from the contributions made on a monthly basis. Such contributions are charged as an expense to the Consolidated Statement of Profit and Loss.

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 not expected to occur within twelve months, after the end of the period in which employee renders service, 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 applicable tax laws of the respective jurisdiction where the Company and its Subsidiaries are located.

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 substantively 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 Group 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 (excluding retirement benefits) are not discounted to their present value and 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 Consolidated Financial Statements.

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) Employees 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 export 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.

w) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

2. SHARE CAPITAL

a) Share Capital

	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	₹ in million	No. of Shares	₹ in million
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	447,529,493	895.1	446,641,681	893.3
TOTAL	**447,529,493**	**895.1**	**446,641,681**	**893.3**

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 March 2013		As at 31 March 2012	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	446,641,681	893.3	446,201,189	892.4
Equity Shares issued during the year in the form of ESOPs	887,812	1.8	440,492	0.9
Equity Shares outstanding at the end of the year	**447,529,493**	**895.1**	**446,641,681**	**893.3**

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 final 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 2013, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 4 (previous year ₹ 3.2)

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 March 2013		As at 31 March 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Zyma Laboratories Limited	54,960,490	12.28	54,960,490	12.31
Rahas Investments Pvt. Limited	45,699,510	10.21	45,699,510	10.23
Visiomed (India) Pvt. Limited	43,514,660	9.72	43,514,660	9.74
Lupin Marketing Pvt. Limited	40,401,000	9.03	40,401,000	9.05

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

Particulars	As at 31 March 2013	As at 31 March 2012
	No. of Shares	No. of Shares
Lupin Employees Stock Option Plan 2003	961,360	1,210,403
Lupin Employees Stock Option Plan 2005	784,995	1,306,290
Lupin Employees Stock Option Plan 2011	3,546,178	3,600,000
Lupin Subsidiary Companies Employees Stock Option Plan 2005	437,089	500,741
Lupin Subsidiary Companies Employees Stock Option Plan 2011	900,000	900,000

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

Particulars	As at 31 March 2013	As at 31 March 2012
	Aggregate No. of Shares	Aggregate No. of Shares
Equity Shares:		
Issued under various Stock Option Plans of the Company	5,185,963	4,953,986

g) No shares have been alloted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

3. RESERVES AND SURPLUS

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
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	5,248.6	5,197.9
Add : Addition during the year*	129.5	50.7
	5,378.1	5,248.6
Employees Stock Options Outstanding (Refer note 35)		
Employees Stock Options Outstanding		
Balance as per last Balance Sheet	31.5	20.3
Add : Options granted during the year	14.6	11.2
Less : Exercised during the year	2.9	-
Balance as at the year end (A)	43.2	31.5
Deferred Employees Stock Options Cost		
Balance as per last Balance Sheet	7.0	7.8
Add : Options granted during the year	14.6	11.2
Less : Amortisation during the year	12.9	12.0
Balance as at the year end (B)	8.7	7.0
(A-B)	34.5	24.5
Employee Stock Appreciation Rights Outstanding (Refer note 36)		
Balance as per last Balance Sheet	3.5	-
Add : Additions during the year	30.8	3.5
Balance as at the year end	34.3	3.5
General Reserve		
Balance as per last Balance Sheet	11,515.4	10,015.4
Add : Transferred from Surplus in the Consolidated Statement of Profit and Loss	1,500.0	1,500.0
	13,015.4	11,515.4
Amalgamation Reserve		
Balance as per last Balance Sheet	317.9	317.9
	317.9	317.9
Cash Flow Hedge Reserve (Refer note 39)		
Balance as per last Balance Sheet	(579.8)	51.2
Add : Credited / (Debited) during the year (net) [net of deferred tax of ₹ 160.1 million (previous year ₹ 239.0 million)]	441.9	(631.0)
	(137.9)	(579.8)
Foreign Currency Translation Reserve (Refer note 42)		
Balance as per last Balance Sheet	969.9	(13.0)
Add / (Less) : Exchange Rate Difference on Translation (net)	(28.0)	982.9
	941.9	969.9
Surplus in the Consolidated Statement of Profit and Loss		
Balance as per last Balance Sheet	21,345.2	15,946.1
Add: Profit for the year	13,141.6	8,676.5
Less: Transfer to General Reserve	1,500.0	1,500.0
Add: Transfer from Minority Interest (Refer note 43)	280.6	-
Less: Dividends on Equity Shares by Overseas Subsidiaries	-	93.4
Less: Proposed Dividend on Equity Shares	1,790.1	1,429.2
Less: Dividend on Equity Shares issued after the previous year end	0.9	0.3
Less: Corporate Tax on Dividend	304.3	254.5
Balance as at the year end	31,172.1	21,345.2
TOTAL	**51,146.7**	**39,235.6**

* Represents amount received on allotment of 887,812 (previous year 440,492) Equity Shares of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans". [Refer note 35 (a)].

4. LONG-TERM BORROWINGS

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Secured		
Foreign Currency Term Loans from Banks	344.2	211.1
Long Term Maturities of Finance Lease Obligations [Refer note 34 (b)]	35.3	66.5
	379.5	277.6
Unsecured		
Bonds	218.6	235.7
Foreign Currency Term Loans from Banks	1,580.5	3,484.6
Deferred Sales Tax Loan from Government of Maharashtra	54.6	53.0
Term Loans from Council for Scientific and Industrial Research (CSIR)	185.6	216.5
Term Loans from Department of Science and Technology (DST)	51.8	62.2
	2,091.1	4,052.0
TOTAL	**2,470.6**	**4,329.6**

Notes:

a) Term Loans of a subsidiary company located in Japan aggregating ₹ 2,577.1 milllion (secured ₹ 453.1 million) carries interest rate in the range of 0.52% to 2.15% 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 2013 upto year 2017.

b) Secured Term Loans of a subsidiary company located in Germany consists 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 ₹ 42.9 million is repayable in monthly installments of ₹ 0.5 million till 30 November 2020. Second loan of ₹ 12.8 million repayable in monthly installments (including interest) of ₹ 0.1 million till February 2042.

c) Secured Term Loan of ₹ 12.1 million of a subsidiary company located in Australia carries interest rate of 6.45% p.a. The loan is repayable from 31 December 2010 onwards in 16 quarterly installments of ₹ 1.4 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 consists of loan of USD 20 million (₹ 1,085.7 million). The loan bears interest @ LIBOR plus 1.05% and is repayable after 3 years in installments of USD 10 million (₹ 542.9 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 consists of 2 loans and carries interest rate in the range of 4.85% - 5.80% p.a. Loans have been guaranteed by the Company. First loan of ₹ 7.6 million is repayable in six monthly installments of ₹ 1.1 million till 30 September 2016. Second loan of ₹ 17.4 million is repayable in 6 biannual installments of ₹ 2.9 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 7 annual installments of ₹ 30.9 million each alongwith interest.

i) Term Loans from DST carry interest of 3% p.a. and is payable in 6 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 Group has not defaulted on repayment of loans and interest during the year.

5. DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	2,822.3	2,379.4
Amortisation of Intangibles	12.6	9.2
Others	1.9	1.3
	2,836.8	2,389.9
Less : Tax effect of items constituting Deferred Tax Assets		
Provision for doubtful trade receivables	38.2	23.5
Provision for VRS Compensation	53.2	63.4
Provision for Employee Benefits	231.1	99.4
Provision for Expenses	5.0	4.5
Provision for Obsolete Inventory	1.7	0.7
Leasing Liability	0.7	1.2
Cash Flow Hedge Reserve	53.9	214.0
Others	116.2	73.1
	500.0	479.8
TOTAL	**2,336.8**	**1,910.1**

6. OTHER LONG-TERM LIABILITIES

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Trade Payables	137.6	139.3
Mark to Market Derivative Liabilities	2.8	238.2
Interest Accrued but not due on Borrowings	9.9	23.3
Deposits (at subsidiary)	339.1	344.1
Other Payables	11.8	12.6
TOTAL	501.2	757.5

7. LONG-TERM PROVISIONS

Provisions for Employee Benefits		
Gratuity	360.3	90.0
Retirement Benefits	441.0	424.1
Compensated Absences	303.3	231.5
Provident Fund	19.9	24.6
TOTAL	1,124.5	770.2

8. SHORT-TERM BORROWINGS

Secured		
Working Capital Loans from Banks	5,785.9	7,358.0
	5,785.9	7,358.0
Unsecured		
Working Capital Loans from Banks	1,482.3	3,111.9
	1,482.3	3,111.9
TOTAL	7,268.2	10,469.9

Notes:

a) Secured Working Capital Loans from Banks aggregating ₹ 4,113.0 million (previous year ₹ 5,808.2 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 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. Loans in foreign currency carries interest rate in the range of 1.0% to 2.3% p.a. and those in Indian Rupees carries interest rate in the range of 10% to 12.3% p.a.

b) Secured Working Capital Loans of ₹ 1,409.5 million availed by the subsidiary companies located in Japan carries interest rate of 0.68% p.a. and are secured by first legal / equitable mortgage on immovable assets of the said subsidiaries.

c) ₹ 228.8 million being bill discounting and overdraft facility availed by a subsidiary company located in Australia carries interest rate in the range of 3.5% to 3.95% p.a. and is secured by Fixed and Floating charge over all assets of the said subsidiary.

d) ₹ 34.6 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 4.5% to 6.5% p.a.

e) Secured Working Capital Loans from Banks include foreign currency loans of ₹ 5,205.2 million (previous year ₹ 7,086.1 million).

f) Unsecured Working Capital Loans from Banks aggregating to ₹ 1,147.9 million (previous year ₹ 2,769.1 million) comprise of Cash Credit and Short Term Loans. Loans in foreign currency carries interest rate in the range of 1% to 2.3% p.a. and those in Indian rupees carries interest rate in the range of 10% to 12.3% p.a.

g) ₹ 243.3 million being Working Capital Loan availed by a subsidiary company located in Germany carries interest of 1.24% and guaranteed by the Company.

h) ₹ 24.6 million being Working Capital Loan availed by a subsidiary company located in United Kingdom carries interest in the range of 1.69% to 1.89% and guaranteed by the Company.

i) Unsecured Working Capital Loans amounting to ₹ 66.5 million (previous year ₹ 105.2 million) availed by a subsidiary company located in Philippines out of which ₹ 39.9 million (previous year ₹ 81.4 million) are guaranteed by the Company. The loans carry interest rate in the range of 4.5% to 6.5% p.a.

j) Unsecured Working Capital Loans from Banks include foreign currency loans of ₹ 1,420.1 million (previous year ₹ 3,059.7 million).

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

9. TRADE PAYABLES

	As at 31.03.2013	As at 31.03.2012
	₹ in million	₹ in million
Acceptances	2,428.3	2,366.4
Other than Acceptances		
- Total outstanding dues of Micro Enterprises and Small Enterprises	262.1	219.4
- Total outstanding dues of Trade Payables other than Micro Enterprises and Small Enterprises	12,740.5	11,207.0
TOTAL	15,430.9	13,792.8

10. OTHER CURRENT LIABILITIES

Current Maturities of Long-Term Borrowings (Refer note 4)		
Foreign Currency Term Loans from Banks	1,830.8	1,513.5
Current Maturities of Finance Lease Obligations [Refer note 34 (b)]	27.1	31.8
Deferred Sales Tax Loan from Government of Maharashtra	6.9	4.9
Term Loans from CSIR	30.9	30.9
Term Loans from DST	10.4	10.4
Interest Accrued but not due on Borrowings	16.8	19.7
Unpaid Dividend*	16.5	15.3
Unpaid Matured Deposits*	0.1	0.7
Unpaid Interest Warrants*	0.1	0.3
Mark to Market Derivative Liabilities	392.1	620.1
Payable for Purchase of Fixed Assets	758.8	900.7
Other Payables	719.9	623.4
(Includes Statutory liabilities, Deposits received, Advance from customers, etc.)		
TOTAL	3,810.4	3,771.7

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

11. SHORT-TERM PROVISIONS

	As at 31.03.2013	As at 31.03.2012
	₹ in million	₹ in million
Provisions for Employee Benefits		
Gratuity	125.5	45.0
Compensated Absences	191.3	155.1
Other Provisions		
For Sales Returns (Refer note 50)	721.7	562.0
For Taxation (net of Advance Tax)	339.0	629.2
For Proposed Dividend on Equity Shares	1,878.0	1,522.2
For Corporate Tax on Dividend	304.2	255.1
TOTAL	3,559.7	3,168.6

12. FIXED ASSETS

₹ in million

Particulars	Gross Block						Accumulated Depreciation and Amortisation						Net Block
	As at 01.04.2012	Additions on Acquistion of Subsidiary Company	Effect of Foreign Currency exchange differences	Additions	Translation Adjustments	Deductions	As at 31.03.2013	As at 01.04.2012	Additions on Acquistion of Subsidiary Company	For the Year	Translation Adjustments	Deductions	As at 31.03.2013	As at 31.03.2013
Tangible Assets														
Freehold Land	**1,244.5**	-	-	**49.0**	**(80.3)**	**0.1**	**1,213.1**	-	-	-	-	-	-	**1,213.1**
	844.6	310.9	-	-	89.7	0.7	1,244.5	-	-	-	-	-	-	1,244.5
Leasehold Land	**540.1**	-	-	**93.6**	-	-	**633.7**	**44.3**	-	**10.2**	-	-	**54.5**	**579.2**
	540.3	-	-	62.7	-	62.9	540.1	34.7	-	10.9	-	1.3	44.3	495.8
Buildings	**7,499.6**	-	**30.2**	**1,484.4**	**(169.7)**	**52.2**	**8,792.3**	**2,185.9**	-	**272.9**	**(74.6)**	**48.0**	**2,336.2**	**6,456.1**
	5,083.1	1,034.1	50.6	1,288.7	45.3	2.2	7,499.6	1,326.5	600.0	232.3	29.1	2.0	2,185.9	5,313.7
Plant, Machinery and	**21,028.6**	-	**103.9**	**3,950.2**	**(483.9)**	**509.4**	**24,089.4**	**8,773.1**	-	**1,478.4**	**(327.7)**	**306.2**	**9,617.6**	**14,471.8**
Equipments	14,856.2	2,400.0	182.5	3,694.1	195.0	299.2	21,028.6	5,590.6	2,070.8	1,158.9	116.1	163.3	8,773.1	12,255.5
Furniture and Fixtures	**1,145.3**	-	**5.3**	**197.1**	**(47.7)**	**37.3**	**1,262.7**	**629.1**	-	**142.1**	**(30.6)**	**93.0**	**647.6**	**615.1**
	731.8	178.3	9.3	226.4	28.0	28.5	1,145.3	345.7	161.3	127.8	19.6	25.3	629.1	516.2
Vehicles	**138.9**	-	-	**38.3**	**7.5**	**18.1**	**166.6**	**94.2**	-	**11.8**	**1.7**	**31.5**	**76.2**	**90.4**
	96.9	29.5	-	14.7	7.0	9.2	138.9	53.6	26.3	16.0	2.2	3.9	94.2	44.7
Office Equipment	**1,093.6**	-	**5.1**	**122.3**	**(3.0)**	**41.8**	**1,176.2**	**492.7**	-	**70.6**	**(2.5)**	**24.3**	**536.5**	**639.7**
	842.3	32.3	8.8	213.3	5.2	8.3	1,093.6	362.9	28.5	108.3	3.6	10.6	492.7	600.9
Assets under Lease:														
-Plant and Equipments	**174.9**	-	-	-	**(12.7)**	-	**162.2**	**83.1**	-	**26.4**	**(9.4)**	-	**100.1**	**62.1**
	152.0	-	-	-	22.9	-	174.9	50.6	-	24.4	8.1	-	83.1	91.8
-Vehicles	**39.3**	-	-	**1.1**	**2.6**	**13.9**	**29.1**	**25.4**	-	**8.4**	**1.8**	**12.9**	**22.7**	**6.4**
	36.5	-	-	2.4	4.4	4.0	39.3	18.3	-	7.9	2.6	3.4	25.4	13.9
	32,904.8	-	**144.5**	**5,936.0**	**(787.2)**	**672.8**	**37,525.3**	**12,327.8**	-	**2,020.8**	**(441.3)**	**515.9**	**13,391.4**	**24,133.9**
	23,183.7	3,985.1	251.2	5,502.3	397.5	415.0	32,904.8	7,782.9	2,886.9	1,686.5	181.3	209.8	12,327.8	20,577.0
Intangible Assets - Acquired														
Goodwill	**604.5**	-	-	-	**26.0**	-	**630.5**	**439.9**	-	**125.5**	**21.5**	-	**586.9**	**43.6**
	554.5	-	-	-	50.0	-	604.5	270.3	-	137.5	32.2	0.1	439.9	164.6
Computer Software	**264.4**	-	-	**129.0**	**(9.8)**	**20.2**	**363.4**	**140.1**	-	**46.7**	**(5.2)**	**18.2**	**163.4**	**200.0**
	146.3	15.2	-	129.5	9.9	36.5	264.4	112.3	9.1	12.6	6.1	-	140.1	124.3
Trademarks and Licences	**422.4**	-	-	**16.4**	**25.8**	**72.8**	**391.8**	**192.6**	-	**47.6**	**11.3**	-	**251.5**	**140.3**
	315.7	2.0	-	55.5	49.2	-	422.4	137.7	1.3	32.1	21.6	0.1	192.6	229.8
Dossiers / Marketing rights	**2,682.3**	-	-	**95.7**	**97.9**	**18.0**	**2,857.9**	**1,321.4**	-	**1,081.3**	**50.6**	**6.1**	**2,447.2**	**410.7**
	2,188.3	18.1	-	194.6	281.7	0.4	2,682.3	771.9	18.1	406.5	125.0	0.1	1,321.4	1,360.9
	3,973.6	-	-	**241.1**	**139.9**	**111.0**	**4,243.6**	**2,094.0**	-	**1,301.1**	**78.2**	**24.3**	**3,449.0**	**794.6**
	3,204.8	35.3	-	379.6	390.8	36.9	3,973.6	1,292.2	28.5	588.7	184.9	0.3	2,094.0	1,879.6
TOTAL	**36,878.4**	-	**144.5**	**6,177.1**	**(647.3)**	**783.8**	**41,768.9**	**14,421.8**	-	**3,321.9**	**(363.1)**	**540.2**	**16,840.4**	**24,928.5**
	26,388.5	4,020.4	251.2	5,881.9	788.3	451.9	36,878.4	9,075.1	2,915.4	2,275.2	366.2	210.1	14,421.8	22,456.6
Capital Work-in-Progress														**2,496.9**
(Refer note 31)														3,915.8
Intangible Assets Under														**610.1**
Development														521.4
TOTAL														**28,035.5**
														26,893.8

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 ₹ 889.9 million (previous year ₹ 933.3 million) located at Research and Development Centres of the Group.
3. Previous year figures are given below current year figures in each class of assets.

13. NON-CURRENT INVESTMENTS

	Number	Face Value	As at 31.03.2013		As at 31.03.2012
			₹ in million	₹ in million	₹ in million
Trade Investments					
a) Others - Unquoted					
In Equity Instruments:					
- 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	₹			
[31.03.2013- ₹ 45,850/- (previous year ₹ 45,850/-)]	(4,585)	10			
- Narmada Clean Tech Ltd., India	1,145,190	₹	11.5		11.5
	(1,145,190)	10			
- Tarapur Environment Protection Society, India	72,358	₹	7.2		7.2
	(72,358)	100			
- Japan Medical Products Exporter's Association, Japan	10	JPY			
[31.03.2013- ₹ 28,765/- (previous year ₹ 31,015/-)]	(10)	5,000			
- The Pharmaceuticals and Medical Devices Agency,Japan	30	JPY	0.2		0.2
	(30)	10,000			
- Osaka Fire Mutual Aid Association, Japan	10	JPY			
[31.03.2013- ₹ 575/- (previous year ₹ 620/-)]	(10)	100			
- Frankfurter Volksbank eG Bank, Germany	10	Eur			
[31.03.2013- ₹ 34,760/- (previous year ₹ 33,948/-)]	(10)	50			
- Philippines Long Distance Telephone Co., Philippines	200	PHP			
[31.03.2013- ₹ 21,280/- (previous year ₹ 18,976/-)]	(200)	1			
- Atsugi Gas Corporation, Japan	600	Nil	0.2		0.2
	(600)				
				20.6	20.6
b) Others - Quoted					
In Equity Instruments:					
- Mitsubishi UFJ Finance Group, Japan	-		-		24.5
	(12,820)				
- Senshu Ikeda Holdings, Japan	-		-		8.6
	(38,480)				
- Mizuho Financial Group, Japan	-		-		7.5
	(5,250)				
- Risona Holdings, Japan	-		-		12.8
	(4,100)				
			-		53.4
Less : Provision for diminution in value of long-term investments			-		46.0
				-	7.4
(Figures in brackets are for previous year)					
c) In Government Securities					
National Saving Certificates					
[31.03.2013 ₹ 6,000/- (previous year ₹ 16,000/-)]					
[Deposited with Government Authority 31.03.2013 ₹ 6,000/-					
(previous year ₹ 16,000/-)]					
		TOTAL		20.6	28.0

1) All investments in shares are fully paid up.

2) All investments are stated at cost

3) Aggregate amount of unquoted investments 20.6 20.6

14. DEFERRED TAX ASSETS (NET)

	As at 31.03.2013	As at 31.03.2012
	₹ in million	₹ in million
Tax effect of items constituting Deferred Tax Assets		
Provision for Bonus	126.3	55.4
Provision for Leave Encashment	14.4	8.1
Provision for Retirement Benefits	73.1	53.6
Provision for Expenses	30.0	41.3
Provision for Obsolete Inventory	47.0	35.6
Provision for Price Differential	37.8	29.6
Provision for Sales Return	263.9	168.7
On differences between book and tax depreciation	41.5	82.9
Others	111.0	30.4
	745.0	505.6
Less: Tax effect of items constituting Deferred Tax Liabilities		
Reserved for Deferred Capital Gain	17.9	20.8
Others	22.7	17.0
TOTAL	704.4	467.8

15. LONG-TERM LOANS AND ADVANCES

Unsecured, considered good unless otherwise stated		
Capital Advances	802.0	536.5
Security Deposits	319.6	293.1
Advance payment of Income Tax (net of Provision)	266.2	30.5
MAT Credit Entitlement (Refer note 54)	1,993.8	2,874.0
Loan to Employees Benefit Trust (Refer note 36)	476.9	220.1
Loan to Employees	4.3	4.2
Other Loans and Advances	10.8	11.0
TOTAL	3,873.6	3,969.4

16. INVENTORIES

Raw Materials	4,583.6	4,503.4
Packing Materials	854.0	877.0
Work-in-Process	3,318.8	2,818.8
Finished Goods	4,202.8	3,958.3
Stock-in-Trade	4,709.0	2,777.2
Consumable Stores and Spares	543.8	430.2
Goods-in-Transit		
- Raw Materials	331.0	312.4
- Packing Materials	12.0	1.4
- Stock-in-Trade	885.2	1,639.5
- Consumable Stores and Spares	49.1	8.5
TOTAL	19,489.3	17,326.7

17. TRADE RECEIVABLES

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Unsecured		
Trade receivables outstanding for a period exceeding		
six months from the date they were due for payment		
- Considered Good	405.0	121.7
- Considered Doubtful	128.6	86.2
	533.6	207.9
Other Trade Receivables		
- Considered Good	21,464.9	17,678.4
- Considered Doubtful	-	1.7
	21,464.9	17,680.1
	21,998.5	17,888.0
Less : Provision for Doubtful Trade Receivables	128.6	87.9
TOTAL	**21,869.9**	**17,800.1**

18. CASH AND BANK BALANCES

Cash and Cash Equivalents		
Bank Balances		
- In Current Account	2,228.4	1,814.8
- In EEFC Account	-	0.3
- In Deposit Account	784.3	726.2
Cheques on hand	95.6	61.4
Cash on hand	4.0	10.7
	3,112.3	2,613.4
Other Bank Balances (Refer note below)		
Earmarked Balances with Banks		
- Unpaid dividend accounts	16.5	15.3
- Unpaid matured deposits	0.1	0.2
- Unpaid interest warrants	0.1	0.3
- Margin Deposits with Banks	-	2.6
- Deposits against borrowings, guarantees and other commitments	2.9	4.5
Bank Deposits maturing more than 3 months but less than 12 months	1,216.9	1,386.9
Bank Deposits maturing after 12 months	-	1.5
	1,236.5	1,411.3
TOTAL	**4,348.8**	**4,024.7**

Other Bank Balances - Earmarked Balances with Banks include deposits ₹ 2.9 million (previous year ₹ 4.2 million) and margin monies amounting to ₹ nil (previous year ₹ 2.6 million) which have an original maturity of more than 12 months.

19. SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Unsecured, considered good unless otherwise stated		
Loans and Advances to Related Parties [Refer note 53 (c)]	62.2	62.2
Security Deposits	106.5	97.2
Advance payment of Income Tax (net of Provision)	8.5	49.3
Balances with Government Authorities	1,737.7	1,537.9
(VAT/Cenvat/Service tax credit receivable/other taxes)		
Advance to Vendors		
- Considered Good	749.7	918.2
- Considered Doubtful	7.3	-
	757.0	918.2
Less : Provision for Doubtful Advances	7.3	-
	749.7	918.2
Other Loans and Advances	732.1	396.4
(includes Loans and Advances to employees, Prepaid expenses, etc.)		
TOTAL	3,396.7	3,061.2

20. OTHER CURRENT ASSETS

Mark to Market Derivative Assets	160.4	33.7
Export Benefits Receivables	1,133.4	970.6
Other Current Assets	1,032.8	206.2
(includes Interest receivables, receivable on sale of fixed assets, etc.)		
TOTAL	2,326.6	1,210.5

21. REVENUE FROM OPERATIONS (GROSS)

	For the Current Year ended 31.03.2013 ₹ in million	For the Previous Year ended 31.03.2012 ₹ in million
Sale		
Goods	94,313.4	68,623.8
Research Services	921.9	1,393.4
	95,235.3	70,017.2
Other Operating Revenue		
Export Benefits and Other Incentives	783.9	526.1
Service Charges	584.8	420.8
Insurance Claims	47.8	44.9
Compensation and Settlement Income	280.5	130.7
Provision for Bad Trade Receivables Written Back	0.2	-
Miscellaneous Income	99.5	109.6
	1,796.7	1,232.1
TOTAL	**97,032.0**	**71,249.3**

22. OTHER INCOME

Dividend on Non-Current Investments	0.5	1.5
Interest on Fixed Deposits with Banks	115.9	80.4
[Tax Deducted at Source ₹ 5.8 million (previous year ₹ 2.2 million)]		
Other Interest (including interest on income tax refunds)	25.6	11.9
[Tax Deducted at Source ₹ 0.5 million (previous year ₹ 0.4 million)]		
Net gain on Foreign Currency Transactions	116.2	-
Profit on Sale / Disposal of Current Investment (net)	-	10.6
Provision for Diminution in value of Non-Current Investments written back	0.2	0.2
Other Non-Operating Income	20.1	38.9
TOTAL	**278.5**	**143.5**

23. COST OF RAW AND PACKING MATERIALS CONSUMED

Raw Materials Consumed	18,861.2	15,664.3
Packing Materials Consumed	3,381.8	2,474.3
TOTAL	**22,243.0**	**18,138.6**

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Opening 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
Acquired on acquisition:		
Finished Goods	-	240.7
Stock-in-Trade	-	157.4
Work-in-Process	-	129.8
	-	527.9
Less:		
Closing Stock:		
Finished Goods	4,202.8	3,958.3
Stock-in-Trade	5,594.2	4,416.7
Work-in-Process	3,318.8	2,818.8
	13,115.8	11,193.8
Changes In Inventories:		
Finished Goods	(244.5)	(1,094.7)
Stock-in-Trade	(1,177.5)	(1,532.0)
Work-in-Process	(500.0)	(542.4)
TOTAL	**(1,922.0)**	**(3,169.1)**

25. EMPLOYEE BENEFITS EXPENSE

	For the Current Year ended 31.03.2013 ₹ in million	For the Previous Year ended 31.03.2012 ₹ in million
Salaries and Wages	10,783.8	8,320.3
Contribution to Provident and Other Funds	1,136.3	871.6
Expenses on Employees Stock Options / Stock Appreciation Rights (Refer note 35 and 36)	43.7	15.5
Staff Welfare Expenses	524.1	487.9
TOTAL	**12,487.9**	**9,695.3**

26. FINANCE COSTS

Interest on Borrowings	239.2	238.8
Other Borrowing Costs (includes bank charges, etc.)	169.9	75.8
Interest on Income Tax	1.1	40.1
TOTAL	**410.2**	**354.7**

27. OTHER EXPENSES

Processing Charges	956.9	709.0
Stores and Spares Consumed	2,383.6	1,918.4
Repairs and Maintenance:		
- Buildings	246.1	145.2
- Plant and Machinery	581.0	522.0
- Others	630.2	491.7
Rent	273.3	126.7
Rates and Taxes	718.8	350.6
Insurance	342.1	229.0
Power and Fuel	3,202.2	2,688.2
Contract Labour Charges	690.5	498.5
Excise Duty (net) (Refer note 47)	116.6	84.0
Selling and Promotion Expenses	4,688.0	4,395.9
Commission, Brokerage and Discount	1,060.4	912.2
[Including cash discount of ₹ 6.8 million (previous year ₹ 6.4 million)]		
Freight and Forwarding	1,359.9	1,170.7
Lease Rent and Hire Charges (Refer note 34)	600.6	531.5
Postage and Telephone Expenses	296.5	241.8
Travelling and Conveyance	1,593.9	1,257.1
Legal and Professional Charges	3,036.3	1,924.9
[Net of recoveries of ₹ nil (previous year ₹ 253.0 million)]		
Donations	169.5	116.7
Clinical and Analytical Charges	890.2	771.6
Loss on sale / write-off of Fixed Assets (net)	144.9	178.4
Bad Trade Receivables / Advances written off	38.6	33.4
Provision for Impairment of Assets	256.8	-
Provision for Doubtful Trade Receivables / Advances	59.1	3.3
Directors Sitting Fees	2.7	3.4
Net Loss on Foreign Currency Transactions	-	68.9
Exchange Rate Difference on Translation (net)	243.4	153.6
Miscellaneous Expenses	1,163.2	1,121.0
TOTAL	**25,745.3**	**20,647.7**

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

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest
Lupin Pharmaceuticals, Inc.	USA	100%
Kyowa Pharmaceutical Industry Co., Limited	Japan	100%+
I'rom Pharmaceutical Co., Limited (from 30th November 2011)	Japan	100%*
Amel Touhoku (upto 28th February 2013)	Japan	100%*
Hormosan Pharma GmbH	Germany	100%+
Pharma Dynamics (Proprietary) Limited	South Africa	60%+
Lupin Australia Pty Limited	Australia	100%
Lupin Holdings B.V.	Netherlands	100%
Lupin Atlantis Holdings SA	Switzerland	100%+
Multicare Pharmaceuticals Philippines Inc.	Philippines	51%+
Lupin (Europe) Limited	UK	100%
Lupin Pharma Canada Limited	Canada	100%+
Lupin Healthcare Limited	India	100%
Generic Health Pty Limited	Australia	91.04%+
Bellwether Pharma Pty Limited	Australia	91.04%#
Max Pharma Pty Limited	Australia	91.04%#
Generic Health Inc. (upto 4th October 2011)	USA	91.04%#
Lupin Mexico SA de CV	Mexico	100%+
Lupin Philippines Inc.	Philippines	100%+
Generic Health SDN.BHD. (from 18th May, 2011)	Malaysia	100%+
Lupin Middle East FZ-LLC (from 13th June 2012)	UAE	100%

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

The consolidated accounts thus include the results of the aforesaid subsidiaries and there are no other bodies 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%.

29. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 1320.8 million (previous year ₹ 1590.5 million).

b) Other commitments – Non-cancellable operating and finance leases (Refer note 34).

30. Contingent Liabilities:

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
a) Income tax demands / matters on account of deductions / disallowances in earlier years, pending in appeals [₹ 49.7 million (previous year ₹ 17.7 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the company]. Amount paid there against and included under note 15 "Long-Term Loans and Advances" ₹ 23.5 million (previous year ₹ 27.0 million).	82.3	44.7
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" ₹ 31.7 million (previous year ₹ 28.4 million).	424.4	416.8
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, local body tax, employee claims, power, trade marks and stamp duty. Amount paid there against without admitting liability and included under note 19 "Short-Term Loans and Advances" ₹ 12.6 million (previous year ₹ 78.6 million).	419.9	432.9
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
f) Bank Guarantees given on behalf of the Company to third party.	-	15.9

Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement / decisions pending with the relevant authorities. The Group does not expect the outcome of the matters stated above to have a material adverse impact on the Group's financial condition, results of operations or cash flows.

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

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:

Particulars	2012-13 ₹ in million	2011-12 ₹ in million
Opening balance	88.8	122.4
Incurred during the current year:		
Salaries, allowances and contribution to funds	65.8	38.8
Professional fees	1.4	1.3
Travelling expenses	10.2	4.4
Others	118.1	23.0
Total	195.5	67.5
Less : Capitalised during the year	61.7	101.1
Closing balance	**222.6**	**88.8**

32. **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	26044.3	38198.3	13151.1	19019.3	96413.0
Carrying amount of Segment Assets	45615.2	13258.1	15682.3	11610.1	86165.7
Capital Expenditure	4190.5	136.3	1250.2	247.2	5824.2

(Previous 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

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)	25598.1	37616.0	13040.4	18361.8	94616.3
Other Operating Income	446.2	582.3	110.7	657.5	1796.7
Total Revenue	26044.3	38198.3	13151.1	19019.3	96413.0

(Previous 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

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

Particulars	2012-2013	2011-2012
	₹ in million	₹ in million
Net Profit after minority interest attributable to equity shareholders	13141.6	8676.5
Weighted average number of Equity Shares:		
- Basic	447125025	446460933
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as on 31.03.2013	1968120	1805072
- Diluted	449093145	448266005
Earnings per Share (in ₹)		
- Basic	29.39	19.43
- Diluted	29.26	19.36

34. a) The Group procures equipments, vehicles and office premises under operating leases. These rentals recognised in the Consolidated Statement of Profit and Loss (Refer note 27) for the year are ₹ 474.8 million (previous year ₹ 367.3 million). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

Particulars	2012-2013	2011-2012
	₹ in million	₹ in million
Not later than one year	326.0	357.2
Later than one year but not later than five years	532.0	428.6
Later than five years	25.1	-
TOTAL	883.1	785.8

b) Subsidiary companies in 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

	2012-2013		
Particulars	Present Value of minimum lease payment	Future Interest Cost	Minimum lease payment
Not later than one year	27.1	1.6	28.7
	(31.8)	(3.8)	(35.6)
Later than one year but not later than five years	35.3	1.4	36.7
	(66.5)	(3.0)	(69.5)
Later than five years	-	-	-
	-	-	-
TOTAL	62.4	3.0	65.4
	(98.3)	(6.8)	(105.1)

Note: Previous year figures are given in bracket.

35. Employees Stock Option Plans:

a) The Group 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
November 06, 2012	50000	291.93	06.11.2012 to 06.11.2013
	50000		
February 22, 2013	2375	593.90	22.02.2013 to 22.02.2014
	2375	593.90	22.02.2013 to 22.02.2015
	2375	593.90	22.02.2013 to 22.02.2016
	2375	593.90	22.02.2013 to 22.02.2017
	9500		

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
August 17, 2012	173563	556.05	17.08.2012 to 17.08.2013
	173562	556.05	17.08.2012 to 17.08.2014
	173563	556.05	17.08.2012 to 17.08.2015
	173562	556.05	17.08.2012 to 17.08.2016
	694250		
August 24, 2012	125	578.45	24.08.2012 to 24.08.2013
	125	578.45	24.08.2012 to 24.08.2014
	125	578.45	24.08.2012 to 24.08.2015
	125	578.45	24.08.2012 to 24.08.2016
	500		
October 17, 2012	1250	555.55	17.10.2012 to 17.10.2013
	1250	555.55	17.10.2012 to 17.10.2014
	1250	555.55	17.10.2012 to 17.10.2015
	1250	555.55	17.10.2012 to 17.10.2016
	5000		

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

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
July 26, 2012	4850	585.70	26.07.2012 to 26.07.2013
	4850	585.70	26.07.2012 to 26.07.2014
	4850	585.70	26.07.2012 to 26.07.2015
	4850	585.70	26.07.2012 to 26.07.2016
	19400		
February 22, 2013	29700	593.90	22.02.2013 to 22.02.2014
	29700	593.90	22.02.2013 to 22.02.2015
	29700	593.90	22.02.2013 to 22.02.2016
	29700	593.90	22.02.2013 to 22.02.2017
	118800		
March 12, 2013	1800	600.90	12.03.2013 to 12.03.2014
	1800	600.90	12.03.2013 to 12.03.2015
	1800	600.90	12.03.2013 to 12.03.2016
	1800	600.90	12.03.2013 to 12.03.2017
	7200		

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 31.03.2013 Nos.**	Year Ended 31.03.2012 Nos.
Options outstanding as at the beginning of the year	1085783	1303850
Add: Options granted during the year	-	-
Less: Options lapsed during the year	73125	115000
Less: Options exercised during the year	249043	103067
Options outstanding as at the year end	763615	1085783

Lupin Employees Stock Option Plan 2005 (ESOP 2005):

Options outstanding as at the beginning of the year	1250090	1535600
Add: Options granted during the year	59500	82500
Less: Options lapsed during the year	36375	89300
Less: Options exercised during the year	521295	278710
Options outstanding as at the year end	751920	1250090

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

Options outstanding as at the beginning of the year	500421	548136
Add: Options granted during the year	-	11000
Less: Options lapsed during the year	6650	-
Less: Options exercised during the year	63652	58715
Options outstanding as at the year end	430119	500421

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Options outstanding as at the beginning of the year	1759250	-
Add: Options granted during the year	699750	1845750
Less: Options lapsed during the year	146131	86500
Less: Options exercised during the year	53822	-
Options outstanding as at the year end	2259047	1759250

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

Options outstanding as at the beginning of the year	161380	-
Add: Options granted during the year	145400	161380
Less: Options lapsed during the year	-	-
Less: Options exercised during the year	-	-
Options outstanding as at the year end	306780	161380

b) The Group 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 (ICAI). Had the compensation cost for the Group's stock based compensation plans been determined in the manner consistent with the fair value approach as described in the said Guidance Note, the Group's net income would be lower by ₹ 229.5 million (previous year ₹ 198.2 million) and earnings per share as reported would be lower as indicated below:

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
	₹ in million	₹ in million
Net profit as reported	13141.6	8676.5
Less : Total stock-based employee compensation expense determined under fair value based method	242.4	210.2
Add : Total stock-based employee compensation expense determined under intrinsic value based method	12.9	12.0
Adjusted net profit	12912.1	8478.3
Basic earnings per share		
- As reported (in ₹)*	29.39	19.43
- Adjusted (in ₹)	28.88	18.99
Diluted earnings per share		
- As reported (in ₹)*	29.26	19.36
- Adjusted (in ₹)	28.75	18.91

* Refer note 33

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		ESOP 2011 Plan			SESOP 2011 Plan		
Grant Dated	Nov 6, 2012	Feb 22, 2013	Aug 17, 2012	Aug 24, 2012	Oct 17, 2012	Jul 26, 2012	Feb 22, 2013	Mar 12, 2013
Particulars								
Dividend yield (%)	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Expected life (years)	5.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Risk free interest rate (%)	8.18	7.87	8.27	8.25	8.16	8.07	7.87	7.92
Volatility (%)	33.68	33.36	34.45	34.38	34.25	34.55	33.36	33.28

36. Stock Appreciation Rights:

During the previous 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.

Pursuant to the circular no. CIR/CFD/DIL/3/2013 dated January 17, 2013 (the "Circular") issued by the Securities and Exchange Board of India (SEBI), the Company has submitted the required details with the stock exchanges within a prescribed period.

As approved by the Board, the Company has, prior to the Circular, advanced an interest free loan of ₹ 256.8 million (previous year ₹ 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 ₹ 476.9 million (previous year ₹ 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 31.03.2013**	Year Ended 31.03.2012
Rights outstanding at the beginning of the year	455290	-
Add: Rights assigned prior to the Circular during the year	443049	463409
Less: Rights lapsed during the year	38241	8119
Rights outstanding at the year end	860098	455290

The related compensation cost for outstanding SARs amounting to ₹ 30.8 million (previous year ₹ 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 Group's net income would be lower by ₹ 7.9 million (previous year ₹ 5.7 million) and earnings per share as reported would be lower as indicated below:

Particulars	**Year Ended 31.03.2013**	Year Ended 31.03.2012
	₹ in million	₹ in million
Net profit as reported	13141.6	8676.5
Less : Total stock-based employee compensation expense determined under fair value based method	38.7	9.2
Add : Total stock-based employee compensation expense determined under intrinsic value based method	30.8	3.5
Adjusted net profit	13133.7	8670.8
Basic earnings per share		
- As reported (in ₹)*	29.39	19.43
- Adjusted (in ₹)	29.37	19.42
Diluted earnings per share		
- As reported (in ₹)*	29.26	19.36
- Adjusted (in ₹)	29.24	19.34

* Refer note 33

37. Post Employment Benefits:

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Group recognised ₹ 311.0 million (previous year ₹ 253.1 million) for superannuation contribution and other retirement benefit contributions in the Consolidated Statement of Profit and Loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Company recognised ₹ 82.9 million (previous year ₹ 72.2 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 two plants, 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 as at March 31, 2013 and shortfall aggregating ₹ 19.9 million (previous year ₹ 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 ₹ 186.6 million (previous year ₹ 172.9 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.

In addition to the above mentioned scheme, the Company also pays additional gratuity as an ex-gratia and the said amount is provided as non-funded liability based on actuarial valuation.

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, 2013. 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 the amounts recognised in the Group's financial statements as at the balance sheet date:

₹ in million

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As on 31.03.2013	As on 31.03.2012	**As on 31.03.2013**	As on 31.03.2012
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**				
	Current service cost	94.4	74.1	252.6	90.0
	Past service cost	-	-	-	-
	Interest cost	38.6	29.0	24.4	-
	Actuarial loss / (gain)	33.9	18.5	(6.7)	-
	Benefits paid	(34.7)	(43.5)	-	-
	PVO at the beginning of the year	462.7	384.6	90.0	-
	PVO at the end of the year	594.9	462.7	360.3	90.0
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	40.3	35.2	-	-
	Actuarial gain / (loss)	(0.1)	(2.3)	-	-
	Contributions by the employer	45.0	57.9	-	-
	Transfer from gratuity fund on amalgamation of erstwhile subsidiary	-	5.0	-	-
	Benefits paid	(34.7)	(43.5)	-	-
	Fair value of plan assets at the beginning of the year	417.7	365.4	-	-
	Adjustment to opening balance	1.2	-	-	-
	Fair value of plan assets at the end of the year	469.4	417.7	-	-
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at end of the year	594.9	462.7	360.3	90.0
	Fair Value of plan assets at the end of the year	469.4	417.7	-	-
	Funded status	(125.5)	(45.0)	(360.3)	(90.0)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the balance sheet	(125.5)	(45.0)	(360.3)	(90.0)
IV)	**Net cost for the year:**				
	Current service cost	94.4	74.1	252.6	90.0
	Past service cost	-	-	-	-
	Interest cost	38.6	29.0	24.4	-
	Expected return on plan assets	(40.3)	(35.2)	-	-

₹ in million

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As on 31.03.2013	As on 31.03.2012	As on 31.03.2013	As on 31.03.2012
	Actuarial losses / (gain)	34.0	20.8	(6.7)	-
	Total expense recognised in the Consolidated Statement of Profit and Loss	126.7	88.7	270.3	90.0
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)	469.4	417.7	-	-
VI)	**Actual return on the plan assets:**	40.2	32.9	-	-
VII)	**Assumptions used in accounting for the gratuity plan:**				
	Discount rate (%)	8.1	8.7	8.1	-
	Salary escalation rate (%)	6.0	6.0	6.0	-
	Expected rate of return on plan assets (%)	9.5	9.5	NA	NA
	Estimate of amount of contribution in immediate next year	125.5	45.0	NA	NA

The estimates of salary escalation, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

₹ in million

Gratuity (Funded)	Year Ended				
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Experience adjustment					
- On plan liabilities	6.1	90.5	#	#	#
- On plan assets	0.1	2.3	#	#	#
Present value of benefit obligation	(594.9)	(462.7)	(384.6)	(244.3)	(186.5)
Fair value of plan assets	469.4	417.7	365.4	213.3	165.1
Excess of (obligation over plan assets) / plan assets over obligation	(125.5)	(45.0)	(19.2)	(31.0)	(21.4)

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

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

Sr. No.	Particulars	Provident Fund (Funded)	
		As on 31.03.2013	As on 31.03.2012
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**		
	Current service cost	751.8	616.4
	Past service cost	-	-
	Interest cost	2.1	7.4
	Actuarial loss / (gain)	(6.8)	(94.6)
	Benefits paid	(160.8)	(243.5)
	PVO at the beginning of the year	2152.8	1867.1
	PVO at the end of the year	2739.1	2152.8
II)	**Change in fair value of plan assets:**		
	Expected return on plan assets	208.3	154.0
	Adjustment to opening balance	(7.6)	-
	Actuarial gain / (loss)	-	-
	Contributions by the employer	551.1	442.5
	Benefits paid	(160.8)	(243.5)
	Fair value of plan assets at the beginning of the year	2128.2	1775.2
	Fair value of plan assets at the end of the year	2719.2	2128.2
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	2739.1	2152.8
	Fair Value of plan assets at the end of the year	2719.2	2128.2
	Funded status	(19.9)	(24.6)
	Unrecognised actuarial gain / (loss)	-	-
	Net liability recognised in the balance sheet	(19.9)	(24.6)
IV)	**Net cost for the year:**		
	Current service cost	751.8	616.4
	Past service cost	-	-
	Interest cost	2.1	7.4
	Expected return on plan assets	(208.3)	(154.0)
	Actuarial losses / (gain)	(6.8)	(94.6)
	Total expense recognised in the Consolidated Statement of Profit and Loss	538.8	375.2
V)	**Category of assets as at the end of the year:**		
	Investment in PSU bonds	56%	63%
	Investment in Government Securities	29%	25%
	Bank Special Deposit	8%	10%
	Investment in other securities	5%	1%
	Bank Savings Deposit	2%	1%
VI)	**Actual return on the plan assets:**	208.3	154.0
VII)	**Assumptions used in accounting for the Provident fund plan:**		
	Discount rate (%)	8.1	8.7
	Salary escalation rate (%)	6.0	6.0
	Expected rate of return on plan assets (%)	8.7	8.7

b) **Kyowa Pharmaceutical Industry Co., Limited, Japan**

The Company's subsidiary at Japan has retirement plan to cover all its employees. The plan consist of a defined benefit non funded pension plan (referred as "plan").

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 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 Group's financial statements as at the balance sheet date:

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2013	As on 31.03.2012
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**		
	Current service cost	14.5	11.4
	Interest cost	1.7	1.6
	Actuarial (gain) / loss	4.2	4.8
	Benefits paid	(5.8)	(3.0)
	Past service cost	-	-
	Foreign exchange translation difference	(9.7)	12.6
	PVO at the beginning of the year	108.5	81.1
	PVO at end of the year	113.4	108.5
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	113.4	108.5
	Fair Value of plan assets at end of the year	-	-
	Funded status	(113.4)	(108.5)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset / (liability) recognised in the balance sheet	(113.4)	(108.5)
III)	**Net cost for the year:**		
	Current service cost	14.5	11.4
	Interest cost	1.7	1.6
	Settlement (gain) - projected benefit obligation	-	-
	Settlement losses - plan assets	-	-
	Expected return on plan assets	-	-
	Actuarial (gain) / losses	4.2	4.8
	Total expense recognised in the Consolidated Statement of Profit and Loss	20.4	17.8
IV)	**Assumptions used in accounting for the retirement benefit plan:**		
	Discount rate (%)	1.3	1.5
	Salary escalation rate (%)	-	-
	Expected rate of return on plan assets (%)	-	-

Liability of lump sum retirement benefit as above along with liability for retirement benefits of directors ₹ 13.4 million (previous year ₹ 10.4 million) is shown under "Long-Term Provisions".

₹ in million

	Year Ended				
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Experience adjustment					
On plan liabilities	1.3	2.0	#	#	#
On plan assets	-	-	#	#	#
Present value of benefit obligation	(113.4)	(108.5)	(81.1)	(64.4)	(62.3)
Fair value of plan assets	-	-	-	-	-
Excess of obligation over plan assets	(113.4)	(108.5)	(81.1)	(64.4)	(62.3)

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

c) **I'rom Pharmaceutical Co., Limited, 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, 2013. 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 Group's financial statements as at the balance sheet date:

Sr. No.	Particulars	Lump sum Retirement Benefits (non funded)	
		As on 31.03.2013	As on 31.03.2012
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**		
	Current Service Cost	27.2	-
	Interest Cost	4.2	-
	Actuarial (gain) / loss	6.4	(1.0)
	Benefits paid	(31.7)	-
	Foreign exchange translation difference	(21.3)	(22.5)
	PVO at beginning of the year	283.4	306.9
	PVO at the end of the year	268.2	283.4
II)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	268.2	283.4
	Fair Value of planned assets at end of the year	-	-
	Funded status	(268.2)	(283.4)
	Unrecognised actuarial gain / (loss)	-	-
	Net asset / (liability) recognised in the balance sheet	(268.2)	(283.4)
III)	**Net cost for the year:**		
	Current Service cost	27.2	-
	Interest cost	4.2	-
	Actuarial (gain) / losses	6.4	(1.0)
	Total expense recognised in the Consolidated Statement of Profit and Loss	37.8	(1.0)
IV)	**Assumptions used in accounting for retirement benefit plans:**		
	Discount rate (%)	1.0	1.4
	Salary escalation rate (%)	-	-
	Expected rate of return on plan assets (%)	-	-

₹ in million

	Year Ended				
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Experience adjustment					
On retirement benefit liabilities	(3.5)	#	NA	NA	NA
On plan assets	-	-	NA	NA	NA
Present value of benefit obligation	(268.2)	(283.4)	NA	NA	NA
Fair value of plan assets	-	-	NA	NA	NA
Excess of obligation over plan assets	(268.2)	(283.4)	NA	NA	NA

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

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, 2013. 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 Group's financial statements as at the balance sheet date:

Sr. No.	Particulars	Retirement Benefits (funded)	
		As on 31.03.2013	As on 31.03.2012
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**		
	Current service cost	8.0	6.5
	Interest cost	2.4	1.8
	Actuarial (gain) / loss	19.9	0.3
	Benefits paid	-	(0.7)
	Past service cost	-	-
	Foreign exchange translation difference	4.8	4.0
	PVO at the beginning of the year	34.6	22.8
	PVO at end of the year	69.7	34.6
II)	**Change in fair value of plan assets:**		
	Expected return on plan assets	0.8	0.7
	Actuarial gain / (loss)	1.4	₹ (33,109)
	Contributions by the employer	7.8	0.6
	Benefits paid	-	(0.7)
	Foreign exchange translation difference	1.7	1.6
	Fair value of plan assets at beginning of the year	12.0	10.0
	Fair value of plan assets at end of the year	23.7	12.0
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of year	69.7	34.6
	Fair Value of plan assets at end of year	23.7	12.0
	Funded status	(46.0)	(22.6)
	Unrecognised actuarial (loss) / gain	-	0.7
	Net asset / (liability) recognised in the balance sheet	(46.0)	(21.8)
IV)	**Net cost for the year:**		
	Current Service cost	8.0	6.5
	Interest cost	2.4	1.8
	Expected return on plan assets	(0.8)	(0.7)
	Actuarial (gain) / losses	18.5	-
	Total expense recognised in the Consolidated Statement of Profit and Loss	28.1	7.6

Sr. No.	Particulars	Retirement Benefits (funded)	
		As on 31.03.2013	As on 31.03.2012
		₹ in million	₹ in million
V)	Category of assets as at the end of the year:		
	Investment in government securities	41%	51%
	Investment in common trust fund	44%	41%
	Investment in other securities and debt instruments	8%	5%
	Investment in loans and bill discounts	5%	1%
	Bank savings deposit	2%	2%
VI)	Actual return on the plan assets	2.2	0.7
VII)	Assumptions used in accounting for retirement benefit plan:		
	Discount rate (%)	4.9	6.2
	Salary escalation rate (%)	7.0	7.0
	Expected rate of return on plan assets (%)	7.5	6.5

₹ in million

	Year Ended				
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Experience adjustment					
On plan liabilities	19.9	0.3	#	#	NA
On plan assets	1.3	₹ (33,109)	#	#	NA
Present value of benefit obligation	(69.7)	(34.6)	(22.8)	(13.4)	NA
Fair value of plan assets	23.7	12.0	10.0	8.0	NA
Excess of obligation over plan assets	(46.0)	(22.6)	(12.8)	(5.4)	NA

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

38. 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	Foreign Currency	As on 31.03.2013		As on 31.03.2012	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Export of goods					
	AUD	53.2	941600	66.8	1262147
	ACUD	2.0	36850	1.7	33800
	EURO	463.0	6661034	395.5	5825339
	USD	3047.0	56127585	2314.6	45495141
Other receivables					
	UZS	₹ 30188	1161058	0.1	2686513
	EURO	-	-	0.1	794
	USD	14.1	259596	9.9	195425
	RUB	1.1	646264	2.0	1119322
	KZT	0.6	1689291	0.3	753799
	RMB	1.1	122533	2.2	272886
	UAH	₹ 26009	3822	0.1	12551
	CHF	-	-	7.3	143071

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

Particulars	Foreign Currency	As on 31.03.2013		As on 31.03.2012	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Import of goods and services					
	USD	1545.4	28871855	1356.5	26772332
	GBP	103.8	1263411	17.1	225381
	EURO	416.9	5920410	282.6	4148594
	CHF	0.4	6618	6.7	119043
	JPY	5.5	9510000	-	-
	CAD	-	-	0.7	14539
	KZT	0.1	391061	-	-
	SGD	0.6	14434	-	-
	BRL	1.1	39756	-	-
	SEK	0.1	15751	-	-
Secured and Unsecured Loans payable	USD	5703.7	105069863	10288.2	202225461
Interest accrued and not due on Secured and Unsecured loans	USD	0.2	2964	0.2	3933
Other payables					
	USD	348.4	6439959	305.2	6004912
	RUB	0.7	420588	1.0	586988
	KZT	0.9	2544909	0.3	869288
	ACUD	0.7	12112	3.4	66210
	UAH	2.9	422213	2.1	315753
	EURO	69.2	986454	44.4	664440
	AUD	2.0	34562	2.6	48422
	CHF	1.1	18440	0.3	4696
	AED	0.3	18594	0.3	18594
	BRL	-	-	0.5	16166

39. 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 2013-14) are entered into by the Company for hedging purposes only, and are accordingly classified as cash flow hedges.

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

(Amount in million)

Particulars	Currency	As at 31.03.2013	As at 31.03.2012	Cross Currency
Forward contracts	USD	244.0	232.0	INR
Option contracts	USD	7.5	31.5	INR
Forward contracts	EUR	-	10.0	USD

The changes in the fair value of the derivative contracts during the year ended March 31, 2013, aggregating ₹ 441.9 million (previous year ₹ 631.9 million debited) designated and effective as hedges have been credited to the Cash Flow Hedge Reserve and ₹ 11.8 million (previous year ₹ 4.7 million) is debited to the Consolidated Statement of Profit and Loss, being the ineffective portion thereof.

40. The aggregate amount of revenue expenditure incurred by the Group during the year on Research and Development and shown in the respective heads of account is ₹ 7098.4 million (previous year ₹ 5228.3 million).

41. 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 subsidiaries:

i) Additional investment in Hormosan Pharma GmbH, Germany at a total cost of ₹ 262.2 million (previous year ₹ 177.1 million).

ii) Additional investment in Lupin Philippines Inc., Philippines at a total cost of ₹ 33.7 million (previous year ₹ 6.1 million).

iii) Additional investment in Lupin Mexico SA de CV, Mexico at a total cost of ₹ 10.7 million (previous year ₹ 8.6 million).

iv) Additional Investment in Generic Health Pty Limited, Australia at a total cost of ₹ 465.1 million (previous year ₹ nil).

b) During the previous 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:

Particulars	2012-2013	2011-2012
	₹ in million	₹ in million
Opening Balance	5040.0	3254.9
Add: On increase in / acquisition of stake in subsidiaries during the year	62.3	1550.0
Add / (less): Exchange difference during the year on translation of Goodwill of foreign subsidiaries	(29.1)	235.1
TOTAL	5073.2	5040.0

42. 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 11 (AS-11) "The Effects of Changes in Foreign Exchange Rates (Revised 2003)", the exchange rate difference on translation of ₹ 28.0 million (previous year ₹ 982.9 million credited) is debited during the year to such reserve instead of to the Consolidated Statement of Profit and Loss.

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

Particulars	As on 31.03.2013	As on 31.03.2012
	₹ in million	₹ in million
Pharma Dynamics (Proprietary) Limited, South Africa		
-Share in Equity Capital	0.2	0.2
-Share in Reserves and Surplus*	443.4	625.5
	443.6	625.7
Multicare Pharmaceuticals Philippines Inc., Philippines		
-Share in Equity Capital	13.2	13.2
-Share in Reserves and Surplus*	101.4	76.0
	114.6	89.2
Generic Health Pty Limited, Australia		
-Share in Equity Capital	120.4	210.9
-Share in Reserves and Surplus	(84.1)	(203.0)
	36.3	7.9
I'rom Pharmaceutical Co., Limited, Japan		
-Share in Equity Capital	-	-
-Share in Reserves and Surplus	-	0.1
	-	0.1
TOTAL	594.5	722.9

* Net of Dividend on Equity Shares (including Corporate Tax on Dividend) by Overseas Subsidiaries to Minority Shareholders for previous years (Refer note 3)

44. Auditors' Remuneration:

	2012-2013* ₹ in million	2011-2012* ₹ in million
Payment to Auditors:		
a) As Auditors	43.0	30.9
b) For other services including Taxation matters and certifications	12.7	16.2
c) Reimbursement of out-of-pocket expenses	0.5	0.2
TOTAL	56.2	47.3

* Excluding taxes.

45. a) The Company holds 100% equity stake at a cost of ₹ 20.0 million in Lupin (Europe) Limited, UK (LEL). The said subsidiary has incurred losses during the year and net worth is substantially eroded at the end of the year. Considering the financial, technical and operational support from the Company and LEL's projections / plans for introducing new products (including products from Lupin Limited, India) in the UK 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 Lupin Holdings B.V. ("LHBV"), holds 100% equity stake at cost of ₹ 310.7 million in Hormosan Pharma GmbH, Germany (Hormosan). Hormosan continued to incur losses during the year and net worth is substantially eroded as at the end of the year. LHBV, considering the growth & business plans of Hormosan, has made further capital contribution of ₹ 262.2 million (previous year ₹ 177.1 million) during the year. Considering the financial, technical and operational support from Lupin Limited (the holding company of LHBV) and Hormosan's projections / plans for introducing new products (including products from Lupin Limited, India) in the German Market in the near future, the Company is of the view that this would lead to an improvement in growth, turnover and profitability, which would result in improvement in net worth, over a period of time.

c) The Company through its wholly owned subsidiary at Netherlands, namely LHBV, has increased its stake in Generic Health Pty Limited, Australia (GH) to 91.04% representing 188405378 (previous year 74504090) shares, costing ₹ 1044.2 million (previous year ₹ 579.1 million), considering the growth & business plans of GH. The Company considers its investments in GH to be long term and strategic in nature. LHBV had given interest bearing loan of ₹ 170.6 million (previous year ₹ 158.6 million) to GH which has been converted into Equity by issue of 60000000 shares. During the year, though GH has incurred losses, there is an improvement in the networth position as at the year end due to further capital contribution from LHBV. GH has plans to introduce 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 GH's turnover would increase leading to profitability and improvement in net worth over a period of time.

d) During the year, based on notice of termination from its toll manufacturing set-up vendor, Lupin Pharma Canada Limited (LPCL), 100% subsidiary of LHBV, has impaired its Capital Work-In-Progress amounting to ₹ 128.6 million. The total investments made by LHBV is ₹ 125.3 million and accumulated losses of LPCL is ₹ 119.1 million. As a result, net worth of LPCL has been eroded substantially.

e) Further, networth of Lupin Philippines Inc. and Lupin Mexico SA de CV is substantially less than the carrying amount of investments made by LHBV.

Based on the above and considering that the Group'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.

46. a) During the year ended March 31, 2010, a wholly owned subsidiary company located in Switzerland, Lupin Atlantis Holdings SA ('LAHSA'), 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 was in the process of 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 previous year, the aforesaid two subsidiaries, had initiated trial run batches to test whether the product output is as per the desired specifications. During such trial runs, there were some technical issues that were faced for which these Companies were working on resolving the same.

During the current year, LAHSA received a termination notice from the toll manufacturer where its machinery is located informing the said subsidiary to remove its machinery from the premises. The management of the Group is in the process of evaluating the technical efficacy at an alternate location. Considering the estimated costs involved in dismantling and shifting of the plant and machinery, the technical modifications that may be required for enabling the existing plant and machinery to be configured and reinstalled at the new location; the mangament of the Group has on a prudent basis, considered fully impairing the value of such plant and machinery amounting to ₹ 128.6 million.

b) During the current year, one of the Marketing Rights of a branded product of LAHSA forming part of Intangible Assets in respect of a product aggregating ₹ 1017.7 million (net of amortization up to the previous year) has been impaired as generic launches of the product have taken place.

c) During the current year, one of the Marketing Rights of LAHSA forming part of Intangible Assets Under Development aggregating ₹ 128.1 million has been impaired as the said subsidiary is not pursuing further development and launch of the said product.

47. Excise duty (Refer note 27) includes ₹ 3.2 million (previous year ₹ 23.2 million) being net impact of the excise duty provision on opening and closing stock.

48. The Company and its subsidiaries located in USA, Philippines, South Africa 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 Group carries product liability insurance policy with an amount it believes is sufficient for its needs. In respect of other claims, the Group 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 Consolidated Financial Statements.

49. 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.

50. As per best estimate of the management, provision has been made towards probable non-saleable return of goods from customers, as per Accounting Standard 29 (AS-29) notified under Companies (Accounting Standards) Rules, 2006.

Particulars	2012-2013	2011-2012
	₹ in million	₹ in million
Carrying amount at the beginning of the year	562.0	267.0
Add : Additional Provisions made during the year	1231.7	1225.3
Less : Amounts used / utilised during the year	1104.2	977.2
Add : Exchange Difference during the year	32.2	46.9
Carrying amount at the end of the year	721.7	562.0

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

52. 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, 2013

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	Generic Health Pty Ltd., Australia	Bellwether Pharma Pty Ltd., Australia	Generic Health Inc., U.S.A.[c]	Max Pharma Pty Ltd., Australia	Lupin Philippines Inc., Philippines	Lupin Healthcare Ltd., India	Generic Health SDN. BHD., Malaysia[a]	I'rom Pharmaceutical Co., Ltd, Japan[b]	Lupin Middle East FZ-LLC, U.A.E.
The financial year/period ended on		Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	From April 1, 2012 to February 28, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013		Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	Year ended March 31, 2013	From June 13, 2012 to March 31, 2013
		₹ 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	₹ in million	₹ in million
Capital	2012-13	13.8	34.9	16.9	6,720.3	0.5	8.1	71.4	2,352.6	20.0	1.0	125.3	19.4	1,344.3	264.5	-	125.1	49.0	26.2		333.9	7.5
	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		333.9	-
Reserves	2012-13	2,723.6	4,951.9	(0.5)	1,616.8	1,206.0	(7.5)	162.3	(69.9)	(30.3)	(1.0)	(119.1)	(16.5)	(932.8)	(796.8)	-	(119.2)	(49.5)	51.8	(1.4)	526.1	(3.0)
	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	-
Total Liabilities	2012-13	16,589.5	7,663.0	0.6	164.4	815.4	676.6	320.8	547.2	324.1	-	0.5		569.7	532.3	-	-	6.3		1.8	2,214.7	0.1
	2011-12	14,664.5	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	-
Total Assets	2012-13	19,326.9	12,649.8	17.0	8,501.5	2,021.9	677.2	554.4	2,829.9	313.8	-	6.7	2.9	981.2	-	-	5.9	5.8	77.9	0.4	3,074.7	4.6
	2011-12	16,427.8	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		3,107.4	-
Investment (Other than in subsidiaries)	2012-13	-	0.2	-	-	-			-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
	2011-12	-	7.6	-	-	-			-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
Turnover (Net)	2012-13	37,616.0	9,175.9	-	658.2	3,210.4	443.4	859.4	1,448.7	152.2	82.5	-	-	1,367.4	-	-	-	-	-	-	3,844.5	-
	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	-
Profit / (Loss) before Tax	2012-13	1,462.8	1,414.9	0.1	659.0	851.4	(252.8)	99.9	(1,176.1)	(40.0)	(3.7)	(129.6)	(9.1)	(689.0)	-	-	-	(30.2)	0.7	(1.4)	207.6	(3.0)
	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)	-
Provision for Tax	2012-13	488.6	536.9	-	0.2	258.8	(0.1)	30.2	(6.5)	-	0.1	-	-	-	-	-	-	-	0.4	-	(100.7)	-
	2011-12	321.0	515.9	-	0.3	211.9	(0.1)	22.5	8.3	0.8	0.1	-	-	-	-	-	-	-	0.4	-	1.0	-
Profit / (Loss) after Tax	2012-13	974.2	878.0	0.1	658.8	592.6	(252.7)	69.7	(1,169.6)	(40.0)	(3.8)	(129.6)	(9.1)	(689.0)	-	-	-	(30.2)	0.3	(1.4)	308.3	(3.0)
	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)	-
Proposed dividend	2012-13	-	-	-	-	258.4	-	16.7	494.7	-	-	-	-	-	-	-	-	-	-	-	-	-
	2011-12	-	-	-	-	226.1	-	5.3	164.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Reporting Currency	2012-13	USD	JPY	AUD	Euro	ZAR	Euro	PHP	USD	GBP	JPY	CAD	MXN	AUD	AUD	NA	AUD	PHP	INR	RM	JPY	AED
	2011-12	USD	JPY	AUD	Euro	ZAR	Euro	PHP	USD	GBP	JPY	CAD	MXN	AUD	AUD	USD	AUD	PHP	INR	RM	JPY	-
Exchange Rate as on March 31, 2013		54.29	0.58	56.50	69.52	5.87	69.52	1.33	54.29	82.10	0.58	53.42	4.41	56.50	56.50	NA	56.50	1.33		17.60	0.58	14.78
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	

a) P.Y. figures are for the period from May 18, 2011 to March 31, 2012 b) P.Y. figures are for the period from November 30, 2011 to March 31, 2012. c) P.Y. figures are for the period from April 1, 2011 to October 4, 2011.

Notes:
1. Investment (Other than in subsidiaries) by Hormosan Pharma GmbH, Germany to Frankfurter Volksbank eG Bank for this year ₹ 34760 (previous year ₹ 33948)
2. Investment (Other than in subsidiaries) by Multicare Pharmaceuticals Philippines Inc., Philippines to Philippines Long Distance Telephone Co. for this year ₹ 21280 (previous year ₹ 18976)
3. Lupin Mexico SA de CV Total Liablities for this year is ₹ 11466
4. Lupin Healthcare Limited Total Liablities for this year is ₹ 22492 (previous year ₹ 26036)
5. Generic Health SDN. BHD. Share Capital for this year is ₹ 68 (previous year ₹ 68)
6. Generic Health SDN. BHD. Total Assets for previous year ₹ 68
7. The negative figures of Reserves in case of few subsidiaries are net impact of accumulated losses.
8. In compliance with Clause 32 of the Listing Agreement, audited consolidated financial statements form part of this Annual Report.
9. 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.

53. Related Party Disclosures, as required by Accounting Standard 18 (AS-18) are given below :

A. Relationships -

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

Dr. Anuja Gupta (Daughter of Chairman)
Mrs. Kavita Gupta Sabharwal (Daughter of Chairman)
Dr. Richa Gupta (Daughter of Chairman)
Mrs. Pushpa Khandelwal (Sister of Chairman)
Bharat Steel Fabrication and Engineering Works
D. B. Gupta (HUF)
Enzal Chemicals (India) Limited (upto 31st March 2012)
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 Investments Pvt. Limited (formerly Novamed Pharmaceuticals Pvt. Limited)
Polynova Industries Limited
Rahas Investments Pvt. Limited
Synchem Investments Pvt. Limited (formerly 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	Key Management Personnel	Others	Total
1.	Miscellaneous income on account of sale of by-products	-	-	-
		(-)	(1.7)	(1.7)
2.	Rent Expenses	-	101.0	101.0
		(-)	(95.9)	(95.9)
3.	Expenses Recovered / Rent Received	-	2.9	2.9
		(-)	(2.8)	(2.8)
4.	Remuneration Paid	510.2	-	510.2
		(355.5)	(-)	(355.5)
5.	Purchases of Goods / Materials	-	-	-
		(-)	(29.7)	(29.7)
6.	Donations Paid	-	91.4	91.4
		(-)	(57.2)	(57.2)
7.	Dividend Paid	20.3	651.4	671.7
		(19.0)	(610.7)	(629.7)
8.	Deposits paid for Leave and Licence arrangement for premises	-	-	-
		(-)	(0.2)	(0.2)

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 31.03.2013	For the year ended 31.03.2012
1.	Miscellaneous income on account of sale of by-products			
	Enzal Chemicals (India) Limited	Others	-	1.7
2.	Rent Expenses			
	Lupin Investments Pvt. Limited	Others	82.0	78.1
	Bharat Steel Fabrication and Engineering Works	Others	10.3	9.7
3.	Expenses Recovered / Rent Received			
	Polynova Industries Limited	Others	2.9	2.8
4.	Remunerations Paid			
	Dr. D. B. Gupta	Key Management Personnel	219.7	150.0
	Dr. K. K. Sharma	Key Management Personnel	123.4	83.5
	Mrs. Vinita Gupta	Key Management Personnel	111.8	77.9
	Mr. Nilesh Gupta	Key Management Personnel	50.1	38.5
5.	Purchases of Goods / Material			
	Enzal Chemicals (India) Limited	Others	-	29.7
6.	Donations Paid			
	Lupin Human Welfare and Research Foundation	Others	83.6	52.1
7.	Dividend Paid			
	Lupin Marketing Pvt. Limited	Others	129.3	121.2
	Rahas Investments Pvt. Limited	Others	146.2	137.1
	Visiomed (India) Pvt. Limited	Others	139.2	130.5
	Zyma Laboratories Limited	Others	175.9	164.9
8.	Deposits paid for Leave and Licence arrangement for premises			
	Zyma Laboratories Limited	Others	-	₹ 88500/-
	Synchem Investments Pvt. Limited	Others	-	₹ 88500/-

C. **Balances due from /to the related parties:**

₹ in million unless other wise stated

Sr. No.	Transactions	Key Management Personnel	Others	Total
1.	Deposits paid under Leave and Licence arrangement for office premises	-	62.2	62.2
		(-)	(62.2)	(62.2)
2.	Trade Payables	44.4	-	44.4
		(-)	(0.6)	(0.6)
3.	Commission Payable	178.0	-	178.0
		(105.5)	(-)	(105.5)
4.	Expenses Receivable	-	-	-
		(-)	(₹ 27789/-)	(₹ 27789/-)

Notes :

i) Figures in brackets are for previous year.

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

54. During the year, the Company has received notice under Section 153A(1)(a) of the Income Tax Act, 1961 requiring the Company to file revised returns for six assessment years from AY 2006-07 to AY 2011-12.

In pursuance to the same, the Company has filed revised returns for the said assessment years and this has resulted in additional tax payments of ₹ 35.1 million and a reduction of MAT Credit Entitlement of ₹ 228.2 million as is disclosed under "Statement of Profit and Loss" and note 15 "Long-Term Loans and Advances" respectively.

55. The Consolidated Financial Statements include results of operations of one new subsidary incorporated during the year, results of operations of one subsidiary liquidated during the year and the results of operations of the entire twelve months of two subsidiaries acquired / incorporated during the previous year. Accordingly, the current year figures are not strictly comparable with those of the previous year.

56. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Note 1 to 56

For **Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Nilesh Gupta
Executive Director

Vinita Gupta
Director

Dr. Vijay Kelkar
Director

Richard Zahn
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

Dileep C. Choksi
Director

Place : Mumbai
Dated : May 8, 2013

R. V. Satam
Company Secretary

STANDALONE ACCOUNTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LUPIN LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of LUPIN LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (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 comply with the Accounting Standards referred to in Section 211(3C) of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

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

Place : Mumbai
Dated : May 8, 2013

ANNEXURE TO
THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business / activities / results during the year, clauses (x), (xii), (xiii), (xiv), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.

(i) In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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.

(ii) In respect of its inventories:
   (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 explanations 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.

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

(iv) 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.

(v) 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 in 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 ₹ 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, other than certain purchases which are of a special nature for which comparable quotations are not available.

(vi) 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.

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

(viii) 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.

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

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 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, 2013 on account of disputes are given below:

Name of 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)	1996-1997 1998-2000 2001-2010	46.2
		Commissioner of Central Excise (Appeals)	1997-1998 2002-2008	6.2
	Service tax credit matters	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2005-2008	266.6
Central and various States' Sales Tax Acts	Sales tax	Sales Tax Tribunal	2004-2005 2006-2009	7.1
		Commissioner of Sales Tax (Appeals)	2004-2007 2008-2009	3.2
		Assistant Commissioner of Sales Tax (Investigations)	2006-2011	25.0
		Additional Commissioner	2002-2003 2005-2009	23.0
		Deputy Commissioner	2000-2001	0.3

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

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

(xi) 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.

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

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

(xiv) 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.

(xv) 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
(Firm Registration No. 117366W)

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

Place : Mumbai
Dated : May 8, 2013

BALANCE SHEET As At March 31, 2013

	Note	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	895.1	893.3
Reserves and Surplus	3	47,572.0	36,450.8
		48,467.1	37,344.1
Non-Current Liabilities			
Long-Term Borrowings	4	292.0	1,349.2
Deferred Tax Liabilities (net)	5	2,329.2	1,905.0
Other Long-Term Liabilities	6	114.0	376.1
Long-Term Provisions	7	683.5	346.1
		3,418.7	3,976.4
Current Liabilities			
Short-Term Borrowings	8	5,260.9	8,577.3
Trade Payables	9	8,694.2	6,984.2
Other Current Liabilities	10	2,189.3	2,502.8
Short-Term Provisions	11	2,427.1	2,202.3
		18,571.5	20,266.6
	TOTAL	70,457.3	61,587.1
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		20,006.3	16,972.3
Intangible Assets-Acquired		130.2	102.5
Capital Work-in-Progress		2,401.2	3,573.3
		22,537.7	20,648.1
Non-Current Investments	13	6,880.4	6,872.9
Long-Term Loans and Advances	14	3,620.3	3,835.6
		33,038.4	31,356.6
Current Assets			
Inventories	15	13,308.3	11,235.6
Trade Receivables	16	18,742.7	14,908.0
Cash and Bank Balances	17	201.2	192.0
Short-Term Loans and Advances	18	2,840.1	2,684.4
Other Current Assets	19	2,326.6	1,210.5
		37,418.9	30,230.5
	TOTAL	70,457.3	61,587.1
See accompanying notes forming part of the financial statements			

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

For **Lupin Limited**

K. A. Katki
Partner

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Nilesh Gupta
Executive Director

Vinita Gupta
Director

Dr. Vijay Kelkar
Director

Richard Zahn
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

Dileep C. Choksi
Director

Place : Mumbai
Dated : May 8, 2013

R. V. Satam
Company Secretary

STATEMENT OF PROFIT AND LOSS for the Year Ended March 31, 2013

	Note	For the Current Year Ended 31.03.2013 ₹ in million	For the Previous Year Ended 31.03.2012 ₹ in million
INCOME:			
Revenue from Operations (Gross)	20	71,844.1	54,268.5
Less: Excise Duty		619.0	420.2
Revenue from Operations (Net)		71,225.1	53,848.3
Other Income	21	233.1	34.9
Total Revenue		**71,458.2**	**53,883.2**
EXPENSES:			
Cost of Raw and Packing Materials Consumed	22	19,272.1	15,921.7
Purchases of Stock-in-Trade	45 (A)	7,760.3	5,992.7
Changes in Inventories	23	(1,824.4)	(1,325.3)
of Finished Goods, Work-in-Process and Stock-in-Trade			
Employee Benefits Expense	24	7,130.8	5,812.2
Finance Costs	25	332.8	286.8
Depreciation and Amortisation Expense	12	1,501.4	1,319.6
Other Expenses	26	20,047.1	15,828.4
Total Expenses		**54,220.1**	**43,836.1**
Profit before Tax		**17,238.1**	**10,047.1**
Tax Expense / (Benefit):			
- Current Tax Expense		4,181.6	2,018.6
- Less : MAT Credit Entitlement		-	(373.5)
- Tax Expense for Prior Years		30.2	-
- Add : Reversal of MAT Credit for Prior Years		157.9	-
Net Current Tax Expense		4,369.7	1,645.1
- Deferred Tax (net)		264.1	358.3
Profit after Tax for the year		**12,604.3**	**8,043.7**
Earnings per equity share (in ₹)	36		
Basic		**28.19**	**18.02**
Diluted		**28.07**	**17.94**
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 **Lupin Limited**

K. A. Katki
Partner

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
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Dr. Vijay Kelkar
Director

Richard Zahn
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

Dileep C. Choksi
Director

Place : Mumbai
Dated : May 8, 2013

R. V. Satam
Company Secretary

CASH FLOW STATEMENT for the Year Ended March 31, 2013

	For the Current Year Ended 31.03.2013	For the Previous Year Ended 31.03.2012
	₹ in million	₹ in million
A. Cash Flow from Operating Activities		
Profit before Tax	17,238.1	10,047.1
Adjustments for:		
Depreciation and Amortisation Expense	1,501.4	1,319.6
Loss on Sale / Write-off of Fixed Assets (net)	139.8	174.4
Finance Costs	332.8	286.8
Interest on Fixed Deposits with Banks	(57.7)	(23.4)
Dividend on Non-Current Investments	(0.2)	(0.9)
Provision for Doubtful Trade Receivables	32.7	2.0
Provision for Doubtful Advances	7.3	-
Expenses on Stock Options / Stock Appreciation Rights	43.7	15.5
Unrealised Exchange loss / (gain) on revaluation (net)	72.5	(99.6)
Operating Profit before Working Capital Changes	19,310.4	11,721.5
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,072.7)	(2,824.5)
Trade Receivables	(3,908.6)	(2,376.9)
Short-Term Loans and Advances	(163.0)	(781.5)
Long-Term Loans and Advances	(283.8)	(252.2)
Other Current Assets	(989.4)	(377.7)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	1,720.5	1,107.1
Other Current Liabilities	55.5	167.1
Other Non-Current Liabilities	(13.3)	(15.9)
Short-Term Provisions	110.0	167.5
Long-Term Provisions	337.4	66.8
Cash Generated from Operations	14,103.0	6,601.3
Net Income tax paid	(4,020.6)	(1,823.1)
Net Cash Flow from Operating Activities	**10,082.4**	**4,778.2**
B. Cash Flow from Investing Activities		
Capital expenditure on fixed assets, including capital advances	(3,776.7)	(4,016.6)
Proceeds from sale of fixed assets	3.5	6.7
Purchase of Non-Current investment in subsidiaries	(7.5)	-
Bank balances not considered as Cash and cash equivalents (net)	3.6	6.3
Dividend on Non-Current Investments	0.2	0.9
Interest on Fixed Deposits with Banks	57.7	23.4
Net Cash Used in Investing Activities	**(3,719.2)**	**(3,979.3)**

	For the Current Year Ended 31.03.2013	For the Previous Year Ended 31.03.2012
	₹ in million	₹ in million
C. Cash Flow from Financing Activities		
Repayment of Long-term Borrowings (net)	(1,132.1)	(97.1)
Proceeds from Short-term Borrowings - Working Capital Loans (net)	(3,341.3)	937.2
Proceeds from issue of equity shares (ESOPs)	1.7	0.9
Securities Premium Received (ESOPs)	126.7	50.7
Finance Costs	(344.5)	(312.8)
Dividend paid	(1,428.9)	(1,336.9)
Tax on Dividend	(232.0)	(217.2)
Net Cash Used in Financing Activities	**(6,350.4)**	**(975.2)**
Net increase / (decrease) in Cash and Cash equivalents	**12.8**	**(176.3)**
Cash and Cash equivalents as at the beginning of the year	168.8	345.1
Cash and Cash equivalents as at the end of the year	**181.6**	**168.8**
Reconciliation of Cash and cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet (Refer note 17)	201.2	192.0
Less : Bank balances not considered as Cash and cash equivalents as defined in AS 3 - Cash Flow Statements (Refer note 17)	19.6	23.2
Cash and cash equivalents as restated as at the year end (Refer note 17)	**181.6**	**168.8**

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. Purchase of Non-Current investment in subsidiaries excludes investments of ₹ nil (previous year ₹ 61.7 million) made in exchange of transfer of land. (Refer note 13)
3. 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.

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

K. A. Katki
Partner

For **Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

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Executive Director

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Director

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Director

Dr. K. U. Mada
Director

Dileep C. Choksi
Director

R. V. Satam
Company Secretary

Place : Mumbai
Dated : May 8, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1A. 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.

1B. 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 / Translations:

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) Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

iii) 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, where applicable.

iv) 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.

v) 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 in foreign currency. 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 individually 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 individually 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 probable non - saleable return of goods from the customers, estimated on the basis of historical data of such returns.

Income from Research Services including sale of technology / know-how (rights, licenses, dossiers and other intangibles) is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

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 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
Intangible Assets (Trademark And Licences)	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. Such contributions are charged as an expense to the Statement of Profit and Loss.

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 not expected to occur within twelve months, after the end of the period in which employee renders service, 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 substantively 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 (excluding retirement benefits) are not discounted to their present value and 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.

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) Employees 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 export 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.

u) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

2. SHARE CAPITAL

a) Share Capital

	As at 31 March 2013		As at 31 March 2012	
	No. of Shares	₹ in million	No. of Shares	₹ in million
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	447,529,493	895.1	446,641,681	893.3
TOTAL	**447,529,493**	**895.1**	**446,641,681**	**893.3**

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 March 2013		As at 31 March 2012	
	No. of Shares	₹ in million	No. of Shares	₹ in million
Equity Shares outstanding at the beginning of the year	446,641,681	893.3	446,201,189	892.4
Equity Shares issued during the year in the form of ESOPs	887,812	1.8	440,492	0.9
Equity Shares outstanding at the end of the year	**447,529,493**	**895.1**	**446,641,681**	**893.3**

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 final 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 2013, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 4 (previous year ₹ 3.2)

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 March 2013		As at 31 March 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Zyma Laboratories Limited	54,960,490	12.28	54,960,490	12.31
Rahas Investments Pvt. Limited	45,699,510	10.21	45,699,510	10.23
Visiomed (India) Pvt. Limited	43,514,660	9.72	43,514,660	9.74
Lupin Marketing Pvt. Limited	40,401,000	9.03	40,401,000	9.05

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

Particulars	As at 31 March 2013	As at 31 March 2012
	No. of Shares	No. of Shares
Lupin Employees Stock Option Plan 2003	961,360	1,210,403
Lupin Employees Stock Option Plan 2005	784,995	1,306,290
Lupin Employees Stock Option Plan 2011	3,546,178	3,600,000
Lupin Subsidiary Companies Employees Stock Option Plan 2005	437,089	500,741
Lupin Subsidiary Companies Employees Stock Option Plan 2011	900,000	900,000

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

Particulars	As at 31 March 2013	As at 31 March 2012
	Aggregate No. of Shares	Aggregate No. of Shares
Equity Shares:		
Issued under various Stock Option Plans of the Company	5,185,963	4,953,986

g) No shares have been alloted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

3. RESERVES AND SURPLUS

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
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	5,248.7	5,198.0
Add : Additions during the year*	129.5	50.7
	5,378.2	5,248.7
Employee Stock Options Outstanding (Refer note 37)		
- Employees Stock Options Outstanding		
Balance as per last Balance Sheet	31.5	20.3
Add : Options granted during the year	14.6	11.2
Less : Exercised during the year	2.9	-
Balance as at the year end (A)	43.2	31.5
- Deferred Employees Stock Options Cost		
Balance as per last Balance Sheet	7.0	7.8
Add : Options granted during the year	14.6	11.2
Less : Amortisation during the year	12.9	12.0
Balance as at the year end (B)	8.7	7.0
(A-B)	34.5	24.5
Employee Stock Appreciation Rights Outstanding (Refer note 38)		
Balance as per last Balance Sheet	3.5	-
Add : Additions during the year	30.8	3.5
Balance as at the year end	34.3	3.5
General Reserve		
Balance as per last Balance Sheet	11,515.4	10,015.4
Add : Transferred from Surplus in the Statement of Profit and Loss	1,500.0	1,500.0
	13,015.4	11,515.4
Amalgamation Reserve		
Balance as per last Balance Sheet	317.9	317.9
	317.9	317.9
Cash Flow Hedge Reserve (Refer note 41)		
Balance as per last Balance Sheet	(579.8)	52.1
Add : Credited / (Debited) during the year (net) [net of deferred tax of ₹ 160.1 million (previous year ₹ 239.0 million)]	441.9	(631.9)
	(137.9)	(579.8)
Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	19,530.2	14,647.9
Add : Profit after Tax for the year	12,604.3	8,043.7
Less : Transfer to General Reserve	1,500.0	1,500.0
Less : Proposed Dividend on Equity Shares	1,790.1	1,429.2
Less : Dividend on Equity Shares issued after the previous year end	0.9	0.3
Less : Corporate Tax on Dividend	304.3	231.9
Balance as at the year end	28,539.2	19,530.2
TOTAL	**47,572.0**	**36,450.8**

* Represents amount received on allotment of 887,812 (previous year 440,492) Equity Shares of ₹ 2 each, pursuant to "Lupin Employees Stock Option Plans". (Refer note 37 (a)).

4. LONG-TERM BORROWINGS

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Unsecured		
Foreign Currency Term Loans from Banks	-	1,017.5
Deferred Sales Tax Loan from Government of Maharashtra	54.6	53.0
Term Loans from Council for Scientific and Industrial Research (CSIR)	185.6	216.5
Term Loans from Department of Science and Technology (DST)	51.8	62.2
TOTAL	**292.0**	**1,349.2**

Notes :

a) 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.

b) Term Loans from CSIR carry interest of 3% p.a. and is payable in 7 annual installments of ₹ 30.9 million each alongwith interest.

c) Term Loans from DST carry interest of 3% p.a. and is payable in 6 annual installments of ₹ 10.4 million each alongwith interest.

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

5. DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Tax effect of items constituting Deferred Tax Liabilities		
On differences between book and tax depreciation	2,821.7	2,378.3
	2,821.7	2,378.3
Less : Tax effect of items constituting Deferred Tax Assets		
Provision for Doubtful Trade Receivables / Advances	38.1	23.4
VRS Compensation	53.2	63.4
Provision for Employee Benefits	231.1	99.4
Cash Flow Hedge Reserve	53.9	214.0
Others	116.2	73.1
	492.5	473.3
TOTAL	**2,329.2**	**1,905.0**

6. OTHER LONG-TERM LIABILITIES

Trade Payables	101.3	114.6
Mark to Market Derivative Liabilities	2.8	238.2
Interest Accrued but not due on Borrowings	9.9	23.3
TOTAL	**114.0**	**376.1**

7. LONG-TERM PROVISIONS

Provisions for Employee Benefits		
Gratuity	360.3	90.0
Compensated Absences	303.3	231.5
Provident Fund	19.9	24.6
TOTAL	**683.5**	**346.1**

8. SHORT-TERM BORROWINGS

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Secured		
Working Capital Loans from Banks	4,113.0	5,808.2
	4,113.0	**5,808.2**
Unsecured		
Working Capital Loans from Banks	1,147.9	2,769.1
	1,147.9	**2,769.1**
TOTAL	**5,260.9**	**8,577.3**

Notes:

a) Secured Working Capital Loans from 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 ₹ 3,532.3 million (previous year ₹ 5,536.3 million)

c) Unsecured Working Capital Loans from Banks comprise of Short-Term Loans, Packing Credit, Postshipment Credit, Bills Discounted and Overseas Import Credit.

d) Unsecured Working Capital Loans from Banks include foreign currency loans of ₹ 1,085.7 million (previous year ₹ 2,716.9 million).

e) Working Capital Loans from Banks in foreign currency carries interest rate in the range of 1.0% to 2.3% p.a. and those in Indian Rupees carries interest rate in the range of 10.0% to 12.3% p.a.

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

9. TRADE PAYABLES

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Acceptances	981.0	991.4
Other than Acceptances		
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 43)	262.1	219.4
- Total outstanding dues of trade payables other than Micro Enterprises and Small Enterprises	7,451.1	5,773.4
TOTAL	**8,694.2**	**6,984.2**

10. OTHER CURRENT LIABILITIES

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Current Maturities of Long-Term Borrowings (Refer note 4)		
- Foreign Currency Term Loans from Banks	1,085.7	1,017.5
- Deferred Sales Tax Loan from Government of Maharashtra	6.9	4.9
- Term Loans from CSIR	30.9	30.9
- Term Loans from DST	10.4	10.4
Interest Accrued but not due on Borrowings	13.8	15.9
Unpaid Dividend*	16.5	15.3
Unpaid Matured Deposits*	0.1	0.7
Unpaid Interest Warrants*	0.1	0.3
Mark to Market Derivative Liabilities	392.1	620.1
Payables on Purchase of Fixed Assets	230.5	445.0
Other Payables	402.3	341.8
(Includes Statutory liabilities, Deposits received, Advance from customers, etc.)		
TOTAL	**2,189.3**	**2,502.8**

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

Foreign Currency Term Loans from Banks consist of loan of USD 20 million (₹ 1,085.7 million). The loan bears interest @ LIBOR plus 1.05% and is repayable after 3 years in installments of USD 10 million (₹ 542.9 million) each from the date of their origination on 3 June 2013 and 29 July 2013.

11. SHORT-TERM PROVISIONS

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Provisions for Employee Benefits (Refer note 7)		
Gratuity	125.5	45.0
Compensated Absences	129.3	97.8
Other Provisions		
For Sales Returns (Refer note 44)	78.0	80.0
For Taxation (net of Advance Tax)	-	318.4
For Proposed Dividend on Equity Shares	1,790.1	1,429.2
For Corporate Tax on Dividend	304.2	231.9
TOTAL	**2,427.1**	**2,202.3**

12. FIXED ASSETS

₹ in million

Particulars	Gross Block					Accumulated Depreciation And Amortisation				Net Block
	As at 01.04.2012	Effect of Foreign Currency exchange differences	Additions	Deductions	As at 31.03.2013	As at 01.04.2012	For the Year	Deductions	As at 31.03.2013	As at 31.03.2013
Tangible Assets										
Freehold Land	84.1	-	49.0	-	133.1	-	-	-	-	133.1
	84.1	-	-	-	84.1	-	-	-	-	84.1
Leasehold Land	478.4	-	93.6	-	572.0	44.0	9.5	-	53.5	518.5
	540.3	-	1.0	62.9	478.4	34.6	10.6	1.2	44.0	434.4
Buildings	5,550.0	30.2	1,105.9	3.7	6,682.4	998.6	225.4	1.0	1,223.0	5,459.4
	4,222.9	50.6	1,276.8	0.3	5,550.0	797.0	201.8	0.2	998.6	4,551.4
Plant, Machinery and Equipments	15,631.9	103.9	3,020.5	327.1	18,429.2	4,651.6	1,122.2	192.6	5,581.2	12,848.0
	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
Furniture and Fixtures	550.2	5.3	95.9	16.7	634.7	167.0	51.9	14.0	204.9	429.8
	429.1	9.3	119.2	7.4	550.2	128.7	42.5	4.2	167.0	383.2
Vehicles	43.0	-	3.8	1.6	45.2	15.0	4.0	1.3	17.7	27.5
	42.5	-	5.4	4.9	43.0	13.4	4.2	2.6	15.0	28.0
Office Equipment	914.0	5.1	109.3	26.1	1,002.3	403.1	32.2	23.0	412.3	590.0
	758.6	8.8	156.8	10.2	914.0	324.8	86.6	8.3	403.1	510.9
	23,251.6	144.5	4,478.0	375.2	27,498.9	6,279.3	1,445.2	231.9	7,492.6	20,006.3
	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
Intangible Assets - Acquired										
Goodwill	218.1	-	-	-	218.1	130.8	43.7	-	174.5	43.6
	218.1	-	-	-	218.1	87.2	43.6	-	130.8	87.3
Computer Software	84.8	-	80.6	-	165.4	69.6	12.4	-	82.0	83.4
	84.8	-	-	-	84.8	65.3	4.3	-	69.6	15.2
Trademarks and Licences	-	-	3.3	-	3.3	-	0.1	-	0.1	3.2
	-	-	-	-	-	-	-	-	-	-
	302.9	-	83.9	-	386.8	200.4	56.2	-	256.6	130.2
	302.9	-	-	-	302.9	152.5	47.9	-	200.4	102.5
TOTAL	23,554.5	144.5	4,561.9	375.2	27,885.7	6,479.7	1,501.4	231.9	7,749.2	20,136.5
	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
Capital Work-in-Progress (Refer note 30)										2,401.2
										3,573.3
TOTAL										22,537.7
										20,648.1

1. Cost of Buildings includes cost of shares in co-operative societies of ₹ 1,000/- (previous year ₹ 1000/-).
2. Additions to Fixed Assets include items of fixed assets aggregating ₹ 839.5 million (previous year ₹ 868.1 million) located at Research and Development Centres of the Company.
3. Previous year figures are given below current year figures in each class of assets.

13. NON-CURRENT INVESTMENTS

	Number	Face Value	As at 31.03.2013 ₹ in million	₹ in million	As at 31.03.2012 ₹ in million
Trade Investments - Unquoted					
a) In Subsidiary Companies					
In Equity Instruments:					
- 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		81.7
(Including 6 shares held by nominees)	(2,616,677)	10			
- Lupin Europe Ltd., UK	251,000	GBP	20.0		20.0
	(251,000)	1			
- Lupin Middle East FZ-LLC, UAE	500	AED	7.5		-
	(-)	1000			
				6,860.2	6,852.7
b) Others					
In Equity Instruments:					
- 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	₹			
[31.03.2013- ₹ 45,850/- (previous year ₹ 45,850/-)]	(4,585)	10			
- Narmada Clean Tech Ltd., India	1,145,190	₹	11.5		11.5
	(1,145,190)	10			
- Tarapur Environment Protection Society, India	72,358	₹	7.2		7.2
	(72,358)	100			
(Figures in brackets are for previous year)					
				20.2	20.2
c) In Government Securities					
National Saving Certificates					
[31.03.2013 ₹ 6,000/- (previous year ₹ 16,000/-)]					
[Deposited with Government Authority 31.03.2013 ₹ 6,000/-					
(previous year ₹ 16,000/-)]					
		TOTAL		6,880.4	6,872.9

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. ₹ nil (previous year ₹ 61.7 million) made in exchange of transfer of land.
5) Aggregate amount of unquoted investments. 6,880.4 6,872.9

14. LONG-TERM LOANS AND ADVANCES

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Unsecured, considered good unless otherwise stated		
Capital Advances	692.8	520.4
Security Deposits	213.3	186.4
Advance payment of Income Tax (net of Provision)	239.2	30.5
MAT Credit Entitlement (Refer note 48)	1,993.8	2,874.0
Loans to Employees Benefit Trust (Refer note 38)	476.9	220.1
Loans to Employees	4.3	4.2
TOTAL	3,620.3	3,835.6

15. INVENTORIES

Raw Materials	4,260.7	4,171.6
Packing Materials	642.1	666.3
Work-in-Process	2,772.8	2,308.3
Finished Goods	3,229.0	2,296.8
Stock-in-Trade	1,467.8	1,038.0
Consumable Stores and Spares	543.8	430.2
Goods-in-Transit		
- Raw Materials	331.0	312.4
- Packing Materials	12.0	1.4
- Stock-in-Trade	-	2.1
- Consumable Stores and Spares	49.1	8.5
[Refer note 1B (i), 45 (C) & (D)] TOTAL	13,308.3	11,235.6

16. TRADE RECEIVABLES

Unsecured		
Trade receivables outstanding for a period exceeding		
six months from the date they were due for payment		
- Considered Good	433.7	100.1
- Considered Doubtful	104.7	72.0
	538.4	172.1
Other Trade Receivables Considered Good	18,309.0	14,807.9
	18,847.4	14,980.0
Less : Provision for Doubtful Trade Receivables	104.7	72.0
TOTAL	18,742.7	14,908.0

Note :

Trade receivables include debts due from subsidiary companies ₹ 12,236.2 million (previous year ₹ 10,359.6 million) [Refer note 46 (C)]

17. CASH AND BANK BALANCES

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Cash and Cash Equivalents		
Bank Balances		
- In Current Account	82.8	104.1
- In EEFC Account	-	0.3
- In Deposit Account	0.2	-
Cheques on hand	95.1	61.4
Cash on hand	3.5	3.0
	181.6	168.8
Other Bank Balances (Refer note below)		
Earmarked Balances with Banks		
- Unpaid dividend accounts	16.5	15.3
- Unpaid matured deposits	0.1	0.2
- Unpaid interest warrants	0.1	0.3
- Margin Deposits with Banks	-	2.6
- Deposits against borrowings, guarantees and other commitments	2.9	4.5
Bank Deposits maturing more than 3 months but less than 12 months	-	0.3
	19.6	23.2
TOTAL	**201.2**	**192.0**

Other Bank Balances - Earmarked Balances with Banks include deposits ₹ 2.9 million (previous year ₹ 4.2 million) and margin monies amounting to ₹ nil (previous year ₹ 2.6 million) which have an original maturity of more than 12 months.

18. SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
Unsecured, considered good unless otherwise stated		
Loans and Advances to Related Parties [Refer note 46 (C)]	63.6	65.2
Security Deposits	104.1	91.8
Balances with Government Authorities (VAT/Cenvat/Service tax credit receivable)	1,730.7	1,534.2
Advance to Vendors		
- Considered Good	748.0	840.4
- Considered Doubtful	7.3	-
	755.3	840.4
Less : Provision for Doubtful Advances	7.3	-
	748.0	840.4
Other Loans and Advances	193.7	152.8
(includes Loans and Advances to employees, Prepaid expenses, etc.)		
TOTAL	**2,840.1**	**2,684.4**

19. OTHER CURRENT ASSETS

Mark to Market Derivative Assets	160.4	33.7
Export Benefits receivables	1,133.4	970.6
Other Current Assets	1,032.8	206.2
(includes Interest receivables, receivable on sale of fixed assets, etc.)		
TOTAL	**2,326.6**	**1,210.5**

20. REVENUE FROM OPERATIONS (GROSS)

	For the Current Year ended 31.03.2013	For the Previous Year ended 31.03.2012
	₹ in million	₹ in million
Sale		
Goods [Refer note 45 (B)]	69,654.7	52,162.8
Research Services	1,069.2	1,416.3
	70,723.9	53,579.1
Other Operating Revenue		
Export Benefits and Other Incentives	783.9	526.1
Insurance Claims	43.0	43.4
Compensation and Settlement Income	186.0	77.2
Miscellaneous Income	107.3	42.7
	1,120.2	689.4
TOTAL	**71,844.1**	**54,268.5**

21. OTHER INCOME

Dividend on Non-Current Investments	0.2	0.9
Interest on Fixed Deposits with Banks	57.7	23.4
[Tax Deducted at Source ₹ 5.8 million (previous year ₹ 2.2 million)]		
Other Interest (including interest on income tax refunds)	21.5	10.6
[Tax Deducted at Source ₹ 0.5 million (previous year ₹ 0.4 million)]		
Net gain on Foreign Currency Transactions	153.7	-
TOTAL	**233.1**	**34.9**

22. COST OF RAW AND PACKING MATERIALS CONSUMED

Raw Materials Consumed (Refer note 32 (a)(i) and 45 (E))	16,880.3	13,953.0
Packing Materials Consumed	2,391.8	1,968.7
TOTAL	**19,272.1**	**15,921.7**

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

Opening 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
Less:		
Closing Stock:		
Finished Goods	3,229.0	2,296.8
Stock-in-Trade	1,467.8	1,040.1
Work-in-Process	2,772.8	2,308.3
	7,469.6	5,645.2
Changes In Inventories:		
Finished Goods	(932.2)	(527.2)
Stock-in-Trade	(427.7)	(284.0)
Work-in-Process	(464.5)	(514.1)
TOTAL	**(1,824.4)**	**(1,325.3)**

24. EMPLOYEE BENEFITS EXPENSE

	For the Current Year ended 31.03.2013	For the Previous Year ended 31.03.2012
	₹ in million	₹ in million
Salaries and Wages	6,055.9	4,880.9
Contribution to Provident and Other Funds	604.4	527.8
Expense on Employees Stock Options / Stock Appreciation Rights	43.7	15.5
(Refer note 37 and 38)		
Staff Welfare Expenses	426.8	388.0
TOTAL	**7,130.8**	**5,812.2**

25. FINANCE COSTS

Interest on Borrowings	179.8	180.7
Other Borrowing Costs (includes bank charges, etc.)	151.9	66.0
Interest on Income Tax	1.1	40.1
TOTAL	**332.8**	**286.8**

26. OTHER EXPENSES

Processing Charges	741.8	357.1
Stores and Spares Consumed [Refer note 32 (a)(ii)]	2,212.2	1,860.0
Repairs and Maintenance:		
- Buildings	165.3	140.4
- Plant and Machinery	459.6	380.7
- Others	485.6	432.1
Rent	146.0	104.2
Rates and Taxes	517.1	218.5
Insurance	275.5	178.6
Power and Fuel	2,997.6	2,571.3
Contract Labour Charges	559.9	453.7
Excise Duty (net) (Refer note 47)	116.6	84.0
Selling and Promotion Expenses	4,095.6	3,703.0
Commission, Brokerage and Discount	854.2	711.0
[Including cash discount of ₹ 6.8 million (previous year ₹ 6.4 million)]		
Freight and Forwarding	574.9	478.8
Lease Rent and Hire Charges (Refer note 35)	385.8	321.2
Postage and Telephone Expenses	187.2	164.8
Travelling and Conveyance	1,131.9	906.7
Legal and Professional Charges	2,592.2	1,411.6
[Net of recoveries of ₹ nil (previous year ₹ 253.0 million)]		
Donations	168.5	116.2
Clinical and Analytical Charges	508.9	383.9
Loss on Sale / Write-off of Fixed Assets (net)	139.8	174.4
Bad Trade Receivables / Advances written off	38.1	26.5
Provision for Doubtful Trade Receivables / Advances	40.0	2.0
Directors Sitting Fees	0.9	1.0
Net loss on Foreign Currency Transactions	-	62.0
Miscellaneous Expenses	651.9	584.7
TOTAL	**20,047.1**	**15,828.4**

27. **Commitments:**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, ₹ 1225.3 million (previous year ₹ 1518.2 million).

b) Other commitments – Non-cancellable operating leases (Refer note 35).

28. **Contingent Liabilities:**

	As at 31.03.2013 ₹ in million	As at 31.03.2012 ₹ in million
a) Income tax demands / matters on account of deductions / disallowances in earlier years, pending in appeals [₹ 49.7 million (previous year ₹ 17.7 million) consequent to department preferring appeals against the orders of the Appellate Authorities passed in favour of the Company]. Amount paid there against and included under note 14 "Long-Term Loans and Advances" ₹ 23.5 million (previous year ₹ 27.0 million).	82.3	44.7
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 18 "Short-Term Loans and Advances" ₹ 31.7 million (previous year ₹ 28.4 million).	424.4	416.8
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, local body tax, employee claims, power, trade marks and stamp duty. Amount paid there against without admitting liability and included under note 18 "Short-Term Loans and Advances" ₹ 12.6 million (previous year ₹ 78.6 million).	419.9	432.9
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) Letter of comfort issued by the Company towards the credit facilities sanctioned by the bankers of subsidiary companies aggregating ₹ 133.0 million (previous year ₹ 118.6 million).	39.9	81.4
f) Corporate guarantee given in respect of credit facility sanctioned by bankers of subsidiary companies aggregating ₹ 2738.9 million (previous year ₹ 3034.2 million).	2645.8	2902.8
g) Financial guarantee given to third party on behalf of subsidiary for contractual obligations.	-	152.6
h) Bank Guarantees given on behalf of the Company to third party.	-	15.9

Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement / decisions pending with the relevant authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

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

29. 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 subsidiaries:

i) Additional investment in Hormosan Pharma GmbH, Germany at a total cost of ₹ 262.2 million (previous year ₹ 177.1 million).

ii) Additional investment in Lupin Philippines Inc., Philippines at a total cost of ₹ 33.7 million (previous year ₹ 6.1 million).

iii) Additional investment in Lupin Mexico SA de CV, Mexico at a total cost of ₹ 10.7 million (previous year ₹ 8.6 million).

iv) Additional Investment in Generic Health Pty Limited, Australia at a total cost of ₹ 465.1 million (previous year ₹ nil).

b) During the previous 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.

30. 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 pre-operative expenses are:

Particulars	2012-2013	2011-2012
	₹ in million	₹ in million
Opening balance	88.8	122.4
Incurred during the current year:		
Salaries, allowances and contribution to funds	65.8	38.8
Professional fees	1.4	1.3
Travelling expenses	10.2	4.4
Others	118.1	23.0
Total	195.5	67.5
Less : Capitalised during the year	61.7	101.1
Closing balance	**222.6**	**88.8**

31. **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.

32. Additional information pursuant to the provisions of Paragraph 5 (viii) of Part II of Schedule VI to the Companies Act, 1956.

a) Value of Imported and Indigenous consumption:

i) Consumption of Raw Materials:

	2012-2013		2011-2012	
	%	₹ in million	%	₹ in million
Imported	38.4	6474.4	38.9	5422.5
Indigenous	61.6	10405.9	61.1	8530.5
TOTAL	**100.0**	**16880.3**	**100.0**	**13953.0**

ii) Consumption of Stores and Spares:

	2012-2013		2011-2012	
	%	₹ in million	%	₹ in million
Imported	2.0	44.0	6.0	111.0
Indigenous	98.0	2168.2	94.0	1749.0
TOTAL	**100.0**	**2212.2**	**100.0**	**1860.0**

b) CIF Value of Imports:

		2012-2013	2011-2012
		₹ in million	₹ in million
i)	Capital Goods	728.4	788.2
ii)	Raw Materials	6615.6	5905.3
iii)	Packing Materials	284.7	327.8
iv)	Purchases of Stock-in-Trade	388.3	280.2
v)	Consumable Stores and Spares	374.0	306.8
	TOTAL	**8391.0**	**7608.3**

c) Expenditure in Foreign currencies (subject to deduction of tax where applicable) on account of:

		2012-2013	2011-2012
		₹ in million	₹ in million
i)	Interest	52.8	56.6
ii)	Travelling	29.9	30.4
iii)	Commission	205.4	190.4
iv)	Selling and Promotion expenses	2245.7	1643.4
v)	Clinical and Analytical charges	199.9	3.1
vi)	Legal and Professional Charges (net of recoveries)	1644.1	1255.6
vii)	Personnel Expenses	85.4	72.6
viii)	Others	557.3	207.6
	TOTAL	5020.5	3459.7

d) Earnings in Foreign Exchange (subject to deduction of tax where applicable) on account of:

i)	FOB value of Exports	43156.5	30329.2
ii)	Deemed Exports	-	372.3
iii)	Sale-Research Services	1066.3	1416.3
iv)	Reimbursement of freight and insurance on Exports	281.2	237.4
v)	Compensation & Settlement Income	186.0	77.2
vi)	Others	59.2	11.6
	TOTAL	44749.2	32444.0

33. 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	2011-2012	2010-2011
Number of non-resident shareholders	1551	1611
Number of shares held by them	127770018	106858141
Amount of dividend (₹ in million)	408.9	320.6

Note: 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.

34. Auditors' Remuneration:

	2012-2013*	2011-2012*
	₹ in million	₹ in million
Payment to Auditors:		
a) As Auditors	9.2	9.2
b) in respect of Taxation matters**	4.6	6.9
c) for other services – Certification	2.0	3.2
d) Reimbursement of out-of-pocket expenses	0.4	0.2
TOTAL	16.2	19.5

* 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.

35. The Company procures equipments, vehicles and office premises under operating leases. These rentals recognised in the Statement of Profit and Loss (Refer note 26) for the year are ₹ 294.8 million (previous year ₹ 243.7 million). The future minimum lease payments and payment profile of non-cancellable operating leases are as under:

	2012-2013	2011-2012
	₹ in million	₹ in million
Not later than one year	189.4	226.3
Later than one year but not later than five years	301.3	235.4
Later than five years	25.1	-
TOTAL	515.8	461.7

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

Particulars	2012-2013	2011-2012
	₹ in million	₹ in million
Profit attributable to Equity Shareholders	12604.3	8043.7
Weighted average number of Equity Shares:		
- Basic	447125025	446460933
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs outstanding as on 31.03.2013	1968120	1805072
- Diluted	449093145	448266005
Earnings per Share (in ₹)		
- Basic	28.19	18.02
- Diluted	28.07	17.94

37. **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
November 06, 2012	50000	291.93	06.11.2012 to 06.11.2013
	50000		
February 22, 2013	2375	593.90	22.02.2013 to 22.02.2014
	2375	593.90	22.02.2013 to 22.02.2015
	2375	593.90	22.02.2013 to 22.02.2016
	2375	593.90	22.02.2013 to 22.02.2017
	9500		

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
August 17, 2012	173563	556.05	17.08.2012 to 17.08.2013
	173562	556.05	17.08.2012 to 17.08.2014
	173563	556.05	17.08.2012 to 17.08.2015
	173562	556.05	17.08.2012 to 17.08.2016
	694250		
August 24, 2012	125	578.45	24.08.2012 to 24.08.2013
	125	578.45	24.08.2012 to 24.08.2014
	125	578.45	24.08.2012 to 24.08.2015
	125	578.45	24.08.2012 to 24.08.2016
	500		
October 17, 2012	1250	555.55	17.10.2012 to 17.10.2013
	1250	555.55	17.10.2012 to 17.10.2014
	1250	555.55	17.10.2012 to 17.10.2015
	1250	555.55	17.10.2012 to 17.10.2016
	5000		

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

Grant Date	No. of Options	Exercise Price ₹	Vesting Period
July 26, 2012	4850	585.70	26.07.2012 to 26.07.2013
	4850	585.70	26.07.2012 to 26.07.2014
	4850	585.70	26.07.2012 to 26.07.2015
	4850	585.70	26.07.2012 to 26.07.2016
	19400		
February 22, 2013	29700	593.90	22.02.2013 to 22.02.2014
	29700	593.90	22.02.2013 to 22.02.2015
	29700	593.90	22.02.2013 to 22.02.2016
	29700	593.90	22.02.2013 to 22.02.2017
	118800		
March 12, 2013	1800	600.90	12.03.2013 to 12.03.2014
	1800	600.90	12.03.2013 to 12.03.2015
	1800	600.90	12.03.2013 to 12.03.2016
	1800	600.90	12.03.2013 to 12.03.2017
	7200		

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 31.03.2013 Nos.**	Year Ended 31.03.2012 Nos.
Options outstanding as at the beginning of the year	1085783	1303850
Add: Options granted during the year	-	-
Less: Options lapsed during the year	73125	115000
Less: Options exercised during the year	249043	103067
Options outstanding as at the year end	763615	1085783

Lupin Employees Stock Option Plan 2005 (ESOP 2005):

Options outstanding as at the beginning of the year	1250090	1535600
Add: Options granted during the year	59500	82500
Less: Options lapsed during the year	36375	89300
Less: Options exercised during the year	521295	278710
Options outstanding as at the year end	751920	1250090

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

Options outstanding as at the beginning of the year	500421	548136
Add: Options granted during the year	-	11000
Less: Options lapsed during the year	6650	-
Less: Options exercised during the year	63652	58715
Options outstanding as at the year end	430119	500421

Lupin Employees Stock Option Plan 2011 (ESOP 2011):

Particulars	Year Ended 31.03.2013 Nos.	Year Ended 31.03.2012 Nos.
Options outstanding as at the beginning of the year	1759250	-
Add: Options granted during the year	699750	1845750
Less: Options lapsed during the year	146131	86500
Less: Options exercised during the year	53822	-
Options outstanding as at the year end	2259047	1759250

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

Options outstanding as at the beginning of the year	161380	-
Add: Options granted during the year	145400	161380
Less: Options lapsed during the year	-	-
Less: Options exercised during the year	-	-
Options outstanding as at the year end	306780	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 (ICAI). 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 ₹ 229.5 million (previous year ₹ 198.2 million) and earnings per share as reported would be lower as indicated below:

Particulars	Year Ended 31.03.2013 ₹ in million	Year Ended 31.03.2012 ₹ in million
Net profit as reported	12604.3	8043.7
Less : Total stock-based employee compensation expense determined under fair value based method	242.4	210.2
Add : Total stock-based employee compensation expense determined under intrinsic value based method	12.9	12.0
Adjusted net profit	12374.8	7845.5
Basic earnings per share		
- As reported (in ₹)*	28.19	18.02
- Adjusted (in ₹)	27.68	17.57
Diluted earnings per share		
- As reported (in ₹)*	28.07	17.94
- Adjusted (in ₹)	27.56	17.50

* Refer note 36

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		ESOP 2011 Plan			SESOP 2011 Plan		
Grant Dated	Nov 6, 2012	Feb 22, 2013	Aug 17, 2012	Aug 24, 2012	Oct 17, 2012	Jul 26, 2012	Feb 22, 2013	Mar 12, 2013
Particulars								
Dividend yield (%)	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Expected life (years)	5.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Risk free interest rate (%)	8.18	7.87	8.27	8.25	8.16	8.07	7.87	7.92
Volatility (%)	33.68	33.36	34.45	34.38	34.25	34.55	33.36	33.28

38. Stock Appreciation Rights:

During the previous 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.

Pursuant to the circular no. CIR/CFD/DIL/3/2013 dated January 17, 2013 (the "Circular") issued by the Securities and Exchange Board of India (SEBI), the Company has submitted the required details with the stock exchanges within a prescribed period.

As approved by the Board, the Company has, prior to the Circular, advanced an interest free loan of ₹ 256.8 million (previous year ₹ 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 ₹ 476.9 million (previous year ₹ 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 31.03.2013**	Year Ended 31.03.2012
Rights outstanding at the beginning of the year	455290	-
Add: Rights assigned prior to the Circular during the year	443049	463409
Less: Rights lapsed during the year	38241	8119
Rights outstanding at the year end	860098	455290

The related compensation cost for outstanding SARs amounting to ₹ 30.8 million (previous year ₹ 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 ₹ 7.9 million (previous year ₹ 5.7 million) and earnings per share as reported would be lower as indicated below:

Particulars	**Year Ended 31.03.2013**	Year Ended 31.03.2012
	₹ in million	₹ in million
Net profit as reported	12604.3	8043.7
Less : Total stock-based employee compensation expense determined under fair value based method	38.7	9.2
Add : Total stock-based employee compensation expense determined under intrinsic value based method	30.8	3.5
Adjusted net profit	12596.4	8038.0
Basic earnings per share		
- As reported (in ₹)*	28.19	18.02
- Adjusted (in ₹)	28.17	18.00
Diluted earnings per share		
- As reported (in ₹)*	28.07	17.94
- Adjusted (in ₹)	28.05	17.93

* Refer note 36

39. 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 ₹ 141.9 million (previous year ₹ 120.1 million) for superannuation contribution and ₹ 82.9 million (previous year ₹ 72.2 million) for provident fund and pension contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

A) The provident fund plan of the Company, except two plants, 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 ₹ 19.9 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 ₹ 186.6 million (Previous year ₹ 172.9 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.

In addition to the above mentioned scheme, the Company also pays additional gratuity as an ex-gratia and the said amount is provided as non-funded liability based on actuarial valuation.

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, 2013. 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 the amounts recognised in the Company's financial statements as at the balance sheet date.

₹ in million

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As on 31.03.2013	As on 31.03.2012	**As on 31.03.2013**	As on 31.03.2012
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**				
	Current service cost	94.4	74.1	252.6	90.0
	Past service cost	-	-	-	-
	Interest cost	38.6	29.0	24.4	-
	Actuarial loss / (gain)	33.9	18.5	(6.7)	-
	Benefits paid	(34.7)	(43.5)	-	-
	PVO at the beginning of the year	462.7	384.6	90.0	-
	PVO at the end of the year	594.9	462.7	360.3	90.0
II)	**Change in fair value of plan assets:**				
	Expected return on plan assets	40.3	35.2	-	-
	Actuarial gain / (loss)	(0.1)	(2.3)	-	-
	Contributions by the employer	45.0	57.9	-	-
	Transfer from gratuity fund on amalgamation of erstwhile subsidiary	-	5.0	-	-
	Benefits paid	(34.7)	(43.5)	-	-
	Fair value of plan assets at the beginning of the year	417.7	365.4	-	-
	Adjustment to opening balance	1.2	-	-	-
	Fair value of plan assets at the end of the year	469.4	417.7	-	-

₹ in million

Sr. No.	Particulars	Gratuity (Funded)		Gratuity (Unfunded)	
		As on 31.03.2013	As on 31.03.2012	As on 31.03.2013	As on 31.03.2012
III)	**Reconciliation of PVO and fair value of plan assets:**				
	PVO at end of the year	594.9	462.7	360.3	90.0
	Fair Value of plan assets at the end of the year	469.4	417.7	-	-
	Funded status	(125.5)	(45.0)	(360.3)	(90.0)
	Unrecognised actuarial gain / (loss)	-	-	-	-
	Net liability recognised in the balance sheet	(125.5)	(45.0)	(360.3)	(90.0)
IV)	**Net cost for the year:**				
	Current service cost	94.4	74.1	252.6	90.0
	Past service cost	-	-	-	-
	Interest cost	38.6	29.0	24.4	-
	Expected return on plan assets	(40.3)	(35.2)	-	-
	Actuarial losses / (gain)	34.0	20.8	(6.7)	-
	Total expense recognised in the Statement of Profit and Loss	126.7	88.7	270.3	90.0
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)	469.4	417.7	-	-
VI)	**Actual return on the plan assets:**	40.2	32.9	-	-
VII)	**Assumptions used in accounting for the gratuity plan:**				
	Discount rate (%)	8.1	8.7	8.1	-
	Salary escalation rate (%)	6.0	6.0	6.0	-
	Expected rate of return on plan assets (%)	9.5	9.5	NA	NA
	Estimate of amount of contribution in immediate next year	125.5	45.0	NA	NA

The estimates of salary escalation, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

₹ in million

Gratuity (Funded)	Year Ended				
	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Experience adjustment					
- On plan liabilities	6.1	90.5	#	#	#
- On plan assets	0.1	2.3	#	#	#
Present value of benefit obligation	(594.9)	(462.7)	(384.6)	(244.3)	(186.5)
Fair value of plan assets	469.4	417.7	365.4	213.3	165.1
Excess of (obligation over plan assets) / plan assets over obligation	(125.5)	(45.0)	(19.2)	(31.0)	(21.4)

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

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

Sr. No.	Particulars	Provident Fund (Funded)	
		As on 31.03.2013	As on 31.03.2012
		₹ in million	₹ in million
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**		
	Current service cost	751.8	616.4
	Past service cost	-	-
	Interest cost	2.1	7.4
	Actuarial loss / (gain)	(6.8)	(94.6)
	Benefits paid	(160.8)	(243.5)
	PVO at the beginning of the year	2152.8	1867.1
	PVO at the end of the year	2739.1	2152.8
II)	**Change in fair value of plan assets:**		
	Expected return on plan assets	208.3	154.0
	Adjustment to opening balance	(7.6)	-
	Actuarial gain / (loss)	-	-
	Contributions by the employer	551.1	442.5
	Benefits paid	(160.8)	(243.5)
	Fair value of plan assets at the beginning of the year	2128.2	1775.2
	Fair value of plan assets at the end of the year	2719.2	2128.2
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of the year	2739.1	2152.8
	Fair Value of plan assets at the end of the year	2719.2	2128.2
	Funded status	(19.9)	(24.6)
	Unrecognised actuarial gain / (loss)	-	-
	Net liability recognised in the balance sheet	(19.9)	(24.6)
IV)	**Net cost for the year:**		
	Current service cost	751.8	616.4
	Past service cost	-	-
	Interest cost	2.1	7.4
	Expected return on plan assets	(208.3)	(154.0)
	Actuarial losses / (gain)	(6.8)	(94.6)
	Total expense recognised in the Statement of Profit and Loss	538.8	375.2
V)	**Category of assets as at the end of the year:**		
	Investment in PSU bonds	56%	63%
	Investment in Government Securities	29%	25%
	Bank Special Deposit	8%	10%
	Investment in other securities	5%	1%
	Bank Savings Deposit	2%	1%
VI)	**Actual return on the plan assets:**	208.3	154.0
VII)	**Assumptions used in accounting for the Provident fund plan:**		
	Discount rate (%)	8.1	8.7
	Salary escalation rate (%)	6.0	6.0
	Expected rate of return on plan assets (%)	8.7	8.7

40. 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	Foreign Currency	As on 31.03.2013		As on 31.03.2012	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Export of goods					
	AUD	133.5	2363665	147.9	2794974
	ACUD	2.0	36850	1.7	33800
	EURO	688.4	9902683	531.5	7828243
	GBP	262.7	3199195	122.1	1498149
	USD	14714.5	271059596	12336.3	242482514
	PHP	-	-	2.1	1732800
Other receivables					
	JPY	1.4	2375288	1.5	2447801
	UZS	₹ 30188	1161058	0.1	2686513
	USD	14.4	264596	9.9	195425
	RUB	1.1	646264	2.0	1119322
	KZT	0.6	1689291	0.3	753799
	RMB	1.1	122533	2.2	272886
	UAH	₹ 26009	3822	0.1	12551
	EURO	-	-	0.1	794

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

Particulars	Foreign Currency	As on 31.03.2013		As on 31.03.2012	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Import of goods and services					
	USD	2334.2	42999601	1878.5	36923383
	GBP	137.6	1676038	11.6	141822
	EURO	133.3	1917463	80.0	1178680
	AUD	3.4	59669	6.2	116896
	JPY	5.5	9510000	-	-
	CHF	0.4	6618	6.7	119043
	CAD	-	-	0.7	14289
	KZT	0.1	391061	-	-
	SGD	0.6	14434	-	-
	BRL	1.1	39756	-	-
	SEK	0.1	15751	-	-
Secured and Unsecured loans payable	USD	5703.7	105069863	10288.2	202225461
Interest accrued and not due on Secured and Unsecured loans	USD	0.2	2964	0.2	3933

Particulars	Foreign Currency	As on 31.03.2013		As on 31.03.2012	
		₹ in million	Amount in Foreign Currency	₹ in million	Amount in Foreign Currency
Other payables					
	USD	181.2	3337497	141.2	2774734
	RUB	0.7	420588	1.0	586988
	GBP	-	-	0.3	3553
	KZT	0.9	2544909	0.3	869288
	ACUD	0.7	12112	3.4	66210
	UAH	2.9	422213	2.1	315753
	EURO	56.9	818855	20.9	307972
	AUD	2.0	34562	2.6	48422
	AED	0.3	18594	0.3	18594
	BRL	-	-	0.5	16166
	ZAR	-	-	1.1	163634

41. **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 2013-14) are entered into by the Company for hedging purposes only, and are accordingly classified as cash flow hedges.

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

(Amount in million)

Particulars	Currency	As at 31.03.2013	As at 31.03.2012	Cross Currency
Forward contracts	USD	244.0	232.0	INR
Option contracts	USD	7.5	31.5	INR
Forward contracts	EUR	-	10.0	USD

The changes in the fair value of the derivative contracts during the year ended March 31, 2013, aggregating ₹ 441.9 million (previous year ₹ 631.9 million debited) designated and effective as hedges have been credited to the Cash Flow Hedge Reserve and ₹ 11.8 million (previous year ₹ 4.7 million) is debited to the Statement of Profit and Loss, being the ineffective portion thereof.

42. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of account is ₹ 6472.7 million (previous year ₹ 4630.4 million).

43. 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, 2013 is ₹ 262.1 million, interest ₹ nil (previous year ₹ 219.4 million, interest ₹ nil), interest paid during the year ₹ nil (previous year ₹ nil).

44. As per best estimate of the management, provision has been made towards probable non-saleable return of goods from customers, as per Accounting Standard 29 (AS-29) notified under Companies (Accounting Standards) Rules, 2006.

Particulars	2012-2013	2011-2012
	₹ in million	₹ in million
Carrying amount at the beginning of the year	80.0	20.0
Add : Additional Provisions made during the year	440.0	506.2
Less : Amounts used / utilised during the year	442.0	446.2
Carrying amount at the end of the year	78.0	80.0

45. Details of purchases, sale of goods and inventories:

A) Details of purchases of stock-in-trade:

	Year ended	
	31.03.2013	31.03.2012
Classification	**₹ in million**	₹ in million
A) Formulations:		
Tablets	2903.0	2376.8
Liquids	1386.3	1053.2
Capsules	840.7	642.8
Injections:		
- Liquids	180.3	142.5
- Vials	2113.5	1531.3
Creams and Powder	180.8	135.7
Inhalers	8.7	3.6
B) Bulk Drugs, Intermediates and Chemicals	13.7	6.9
C) Others	133.3	99.9
TOTAL	**7760.3**	**5992.7**

Purchases of formulations includes samples.

B) Details of sale of goods:

	Year ended	
	31.03.2013	31.03.2012
Classification	**₹ in million**	₹ in million
A) Formulations:		
Tablets	37993.5	26536.4
Liquids	6420.7	4891.7
Capsules	9932.9	7769.1
Injections:		
- Liquids	390.9	338.0
- Vials	3890.6	3070.2
Creams and Powder	466.3	400.6
Inhalers	476.1	418.1
B) Bulk Drugs, Intermediates and Chemicals	9903.5	8554.6
C) Others	180.2	184.1
TOTAL	**69654.7**	**52162.8**

Above excludes items distributed under free schemes and samples and the value is net of trade discounts.

C) Details of inventories (finished goods including stock-in-trade):

	As at	
	31.03.2013	31.03.2012
Classification	**₹ in million**	₹ in million
A) Formulation:		
Tablets	1771.0	1219.0
Liquids	374.4	268.8
Capsules	492.3	301.1
Injections:		
- Liquids	44.4	32.5
- Vials	471.3	406.3
Creams and Powder	85.5	54.4
Inhalers	30.4	43.3
B) Bulk Drugs, Intermediates and Chemicals	1395.2	984.7
C) Others	32.3	26.8
TOTAL	**4696.8**	**3336.9**

D) Details of work-in-process:

	As at	
	31.03.2013	31.03.2012
Classification	**₹ in million**	₹ in million
A) Formulation	696.9	603.8
B) Bulk Drugs, Intermediates and Chemicals	2075.9	1704.5
TOTAL	**2772.8**	**2308.3**

E) Consumption of raw materials:

Item	Year ended 31.03.2013 ₹ in million	31.03.2012 ₹ in million
A) DL2 (RECEMIC)	934.6	814.2
B) PEN G	1769.4	1840.1
C) Others*	14176.3	11298.7
TOTAL	**16880.3**	**13953.0**

* containing various raw materials, none of which represents more than 5% of total consumption of raw materials.

46. Related Party Disclosures, as required by Accounting Standard 18 (AS-18) are given below :

A. **Relationships -**

Category I : Subsidiaries:

Lupin Pharmaceuticals, Inc., USA
Kyowa Pharmaceutical Industry Co., Limited, Japan
Lupin Australia Pty Limited, Australia
Lupin Holdings B.V., Netherlands
Pharma Dynamics (Proprietary) Limited, South Africa
Hormosan Pharma GmbH, Germany
Multicare Pharmaceuticals Philippines Inc., Philippines
Lupin Atlantis Holdings SA, Switzerland
Lupin (Europe) Limited, UK
Amel Touhoku, Japan (upto 28th February 2013)
Lupin Pharma Canada Limited, Canada
Lupin Mexico SA de CV, Mexico
Generic Health Pty Limited, Australia
Bellwether Pharma Pty Limited, Australia
Generic Health Inc., USA (from 27th September 2010) (upto 4th October 2011)
Max Pharma Pty Limited, Australia
Lupin Philippines Inc., Philippines
Lupin Healthcare Limited, India
Generic Health SDN. BHD., Malaysia (from 18th May 2011)
I'rom Pharmaceutical Co., Limited, Japan (from 30th November 2011)
Lupin Middle East FZ-LLC, UAE (from 13th June 2012)

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 (Daughter of Chairman)
Dr. Anuja Gupta (Daughter of Chairman)
Mrs. Kavita Gupta Sabharwal (Daughter of Chairman)
Dr. Richa Gupta (Daughter of Chairman)
Mrs. Pushpa Khandelwal (Sister of Chairman)
Bharat Steel Fabrication and Engineering Works
D. B. Gupta (HUF)
Enzal Chemicals (India) Limited (upto 31st March 2012)
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 Investments Pvt. Limited (formerly Novamed Pharmaceuticals Pvt. Limited)
Polynova Industries Limited
Rahas Investments Pvt. Limited
Synchem Investments Pvt. Limited (formerly 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	Key Management Personnel	Others	Total
1.	Sale of Goods	32028.8	-	-	32028.8
		(20836.4)	(-)	(-)	(20836.4)
2.	Sale-Research Services	151.4	-	-	151.4
		(23.9)	(-)	(-)	(23.9)
3.	Income from Royalty	50.2	-	-	50.2
		(-)	(-)	(-)	(-)
4.	Miscellaneous income on account of sale of by-products	-	-	-	-
		(-)	(-)	(1.7)	(1.7)
5.	Guarantee Commission Income	6.4	-	-	6.4
		(2.1)	(-)	(-)	(2.1)
6.	Rent Expenses	-	-	101.0	101.0
		(-)	(-)	(95.9)	(95.9)
7.	Agency Commission Expenses	-	-	-	-
		(3.2)	(-)	(-)	(3.2)
8.	Expenses Recovered / Rent Received	18.7	-	2.9	21.6
		(11.8)	(-)	(2.8)	(14.6)
9.	Remuneration Paid	-	398.4	-	398.4
		(-)	(277.7)	(-)	(277.7)
10.	Purchases of Goods / Materials	₹ 1114/-	-	-	₹ 1114/-
		(0.8)	(-)	(29.7)	(30.5)
11.	Investments during the year	7.5	-	-	7.5
		(61.7)	(-)	(-)	(61.7)
12.	Donations Paid	-	-	91.4	91.4
		(-)	(-)	(57.2)	(57.2)
13.	Dividend Paid	-	20.1	651.4	671.5
		(-)	(18.9)	(610.7)	(629.6)
14.	Services Received	1865.7	-	-	1865.7
		(1402.1)	(-)	(-)	(1402.1)
15.	Expenses Reimbursed	432.3	-	-	432.3
		(169.9)	(-)	(-)	(169.9)
16.	Deposits paid for Leave and Licence arrangement for premises	-	-	-	-
		(-)	(-)	(0.2)	(0.2)
17.	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)
18.	Corporate guarantee (withdrawn) / issued by the Company to the bankers of wholly owned subsidiary companies	-141.6	-	-	-141.6
		(2947.3)	(-)	(-)	(2947.3)

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 31.03.2013	For the year ended 31.03.2012
1.	Sale of Goods			
	Lupin Pharmaceuticals, Inc.	Subsidiary Company	31291.4	20336.9
2.	Sale-Research Services			
	Lupin Atlantis Holdings SA	Subsidiary Company	148.1	23.9
3.	Income from Royalty			
	Generic Health Pty Limited	Subsidiary Company	50.2	-
4.	Miscellaneous income on account of sale of by-products			
	Enzal Chemicals (India) Limited	Others	-	1.7
5.	Guarantee Commission Income			
	Kyowa Pharmaceutical Industry Co., Limited	Subsidiary Company	6.4	2.1
6.	Rent Expenses			
	Lupin Investments Pvt. Limited	Others	82.0	78.1
	Bharat Steel Fabrication and Engineering Works	Others	10.3	9.7
7.	Agency Commission Expenses			
	Generic Health Pty Limited	Subsidiary Company	-	3.2
8.	Expenses Recovered / Rent Received			
	Lupin Pharmaceuticals, Inc.	Subsidiary Company	2.9	5.6
	Pharma Dynamics (Proprietary) Limited	Subsidiary Company	-	4.5
	Polynova Industries Limited	Others	2.9	2.8
	Generic Health Pty Limited	Subsidiary Company	12.7	-
9.	Remunerations Paid			
	Dr. D. B. Gupta	Key Management Personnel	219.7	150.0
	Dr. K. K. Sharma	Key Management Personnel	123.4	83.5
	Mr. Nilesh Gupta	Key Management Personnel	50.1	38.5
10.	Purchases of Goods / Material			
	Enzal Chemicals (India) Limited	Others	-	29.7
	Kyowa Pharmaceutical Industry Co., Limited	Subsidiary Company	₹ 1114/-	-
11.	Investments during the year			
	Lupin Healthcare Limited	Subsidiary Company	-	61.7
	Lupin Middle East FZ-LLC	Subsidiary Company	7.5	-
12.	Donations Paid			
	Lupin Human Welfare and Research Foundation	Others	83.6	52.1
13.	Dividend Paid			
	Lupin Marketing Pvt. Limited	Others	129.3	121.2
	Rahas Investments Pvt. Limited	Others	146.2	137.1
	Visiomed (I) Pvt. Limited	Others	139.2	130.5
	Zyma Laboratories Limited	Others	175.9	164.9

₹ in million unless other wise stated

Sr. No.	Transactions	Related party relation	For the year ended 31.03.2013	For the year ended 31.03.2012
14.	Services Received			
	Lupin Pharmaceuticals, Inc.	Subsidiary Company	1538.5	1142.5
	Lupin (Europe) Limited	Subsidiary Company	291.0	242.8
15.	Expenses Reimbursed			
	Lupin Pharmaceuticals, Inc.	Subsidiary Company	391.4	125.7
	Lupin Australia Pty Limited	Subsidiary Company	27.2	37.4
	Lupin (Europe) Limited	Subsidiary Company	2.9	4.5
	Pharma Dynamics (Proprietary) Limited	Subsidiary Company	1.0	1.1
16.	Deposits paid for Leave and Licence arrangement for premises			
	Zyma Laboratories Limited	Others	-	₹ 88500/-
	Synchem Investments Pvt. Limited	Others	-	₹ 88500/-
17.	Corporate guarantee (withdrawn) / issued by the Company to the bankers of wholly owned Subsidiary company			
	Hormosan Pharma GmbH	Subsidiary Company	-	271.6
	Lupin (Europe) Limited	Subsidiary Company	-	-
	Generic Health Pty Limited	Subsidiary Company	-	232.9
	Kyowa Pharmaceutical Industry Co., Limited	Subsidiary Company	-141.6	2442.8

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	6860.2	-	-	6860.2
		(6852.7)	(-)	(-)	(6852.7)
2.	Deposits paid under Leave and Licence	-	-	62.2	62.2
	arrangement for office premises	(-)	(-)	(62.2)	(62.2)
3.	Trade Receivables	12236.2	-	-	12236.2
		(10359.6)	(-)	(-)	(10359.6)
4.	Trade Payables	883.8	-	-	883.8
		(615.5)	(-)	(0.6)	(616.1)
5.	Commission Payable	-	178.0	-	178.0
		(-)	(105.5)	(-)	(105.5)
6.	Expenses Payable	52.6	-	-	52.6
		(32.2)	(-)	(-)	(32.2)
7.	Expenses Receivable	-	-	-	-
		(1.4)	(-)	(₹ 27789/-)	(1.4)
8.	Income Receivable	1.4	-	-	1.4
		(1.5)	(-)	(-)	(1.5)
9.	Letter of Comfort issued by the Company to the bankers of subsidiary companies	133.0	-	-	133.0
		(118.6)	(-)	(-)	(118.6)
10.	Corporate guarantee issued by the Company to the bankers of wholly owned subsidiary companies	2738.9	-	-	2738.9
		(3034.2)	(-)	(-)	(3034.2)

i) Figures in brackets are for previous year.

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

47. Excise duty (Refer note 26) includes ₹ 3.2 million (previous year ₹ 23.2 million) being net impact of the excise duty provision on opening and closing stock.

48. During the year, the Company has received notice under Section 153A(1)(a) of the Income Tax Act, 1961 requiring the Company to file revised returns for six assessment years from AY 2006-07 to AY 2011-12.

    In pursuance to the same, the Company has filed revised returns for the said assessment years and this has resulted in additional tax payments of ₹ 35.1 million and a reduction of MAT Credit Entitlement of ₹ 228.2 million as is disclosed under "Statement of Profit and Loss" and note 14 "Long-Term Loans and Advances" respectively.

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. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Note 1 to 51

For **Lupin Limited**

Dr. Desh Bandhu Gupta
Chairman

Dr. Kamal K. Sharma
Managing Director

M. D. Gupta
Executive Director

Nilesh Gupta
Executive Director

Vinita Gupta
Director

Dr. Vijay Kelkar
Director

Richard Zahn
Director

R. A. Shah
Director

Dr. K. U. Mada
Director

Dileep C. Choksi
Director

Place : Mumbai
Dated : May 8, 2013

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 (₹ in million)		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 31.03.2013	30.06.2003	300,000 shares of the face value of US $ 1 each	100%	974.2	1749.5	Nil	Nil
Kyowa Pharmaceutical Industry Co., Ltd., Japan	Year ended 31.03.2013	18.10.2007	196,000 Ordinary Shares of the face value of JPY 500 each (Note 1)	100%	878.0	2811.4	Nil	Nil
Pharma Dynamics (Proprietary) Ltd., South Africa	Year ended 31.03.2013	01.03.2008	60,000 Equity Shares of the face value of South African Rand 1 each (Note 1)	60%	355.6	813.9	Nil	Nil
Hormosan Pharma GmbH, Germany	Year ended 31.03.2013	25.07.2008	122,900 Equity Shares of the face value of Euro 1 each (Note 1)	100%	(252.7)	(447.6)	Nil	Nil
Multicare Pharmaceuticals Philippines Inc., Philippines	Year ended 31.03.2013	26.03.2009	3,270,375 Equity Shares of the face value of PHP 10 each (Note 1)	51%	35.5	47.3	Nil	Nil
Generic Health Pty Ltd., Australia	Year ended 31.03.2013	27.09.2010	188,405,378 Ordinary Shares of no par value (Note 1)	91.04%	(680.6)	(178.3)	Nil	Nil
I'rom Pharmaceutical Co., Ltd., Japan	Year ended 31.03.2013	30.11.2011	31,600,000 Ordinary Shares of JPY Nil each (Note 2)	100%	308.3	(21.1)	Nil	Nil
Lupin Holdings B.V., Netherlands	Year ended 31.03.2013	30.03.2007	105,829 Ordinary Shares of the face value of Euro 1000 each	100%	658.8	957.9	Nil	Nil
Lupin Atlantis Holdings SA, Switzerland	Year ended 31.03.2013	05.06.2007	2,486 Equity Shares of the face value of CHF 1000 each (Note 1)	100%	(1169.6)	1922.4	Nil	Nil
Lupin (Europe) Ltd., U.K.	Year ended 31.03.2013	05.06.2009	251,000 Ordinary Shares of GBP 1 each	100%	(40.0)	9.7	Nil	Nil
Lupin Australia Pty Ltd., Australia	Year ended 31.03.2013	01.12.2004	500,000 Ordinary Shares of the face value of AU $ 1 each	100%	0.1	(0.6)	Nil	Nil
Lupin Pharma Canada Ltd., Canada	Year ended 31.03.2013	18.06.2009	280,000,100 Common Shares (Shares do not have face value) (Note 3)	100%	(129.6)	(6.3)	Nil	Nil
Lupin Mexico SA de CV, Mexico	Year ended 31.03.2013	23.08.2010	47,957 Common Shares of MXN $ 100 each (Note 1)	100%	(9.1)	(7.4)	Nil	Nil
Bellwether Pharma Pty Ltd., Australia	Year ended 31.03.2013	27.09.2010	1,000,000 Ordinary Shares of no par value (Note 4)	91.04%	Nil	(15.5)	Nil	Nil
Max Pharma Pty Ltd., Australia	Year ended 31.03.2013	27.09.2010	2,885,714 Ordinary Shares of no par value (Note 4)	91.04%	Nil	(79.4)	Nil	Nil
Lupin Philippines, Inc., Philippines	Year ended 31.03.2013	20.12.2010	3,989,767 Common Shares of the face value of PHP 10 each (including 5 shares held by nominees) (Note 1)	100%	(30.2)	(19.3)	Nil	Nil
Lupin Healthcare Ltd., India	Year ended 31.03.2013	17.03.2011	2,616,677 Equity shares of the face value of ₹ 10/- each (including 6 shares held by nominees)	100%	0.3	(4.0)	Nil	Nil
Generic Health SDN. BHD., Malaysia	Year ended 31.03.2013	18.05.2011	4 Ordinary Shares of the face value of RM 1 each (Note 5)	100%	(1.4)	Nil	Nil	Nil
Lupin Middle East FZ-LLC, Dubai	From 13.06.2012 to 31.03.2013	13.06.2012	500 Shares of the face value of AED 1000 each	100%	(3.0)	N.A.	Nil	N.A.
Amel Touhoku, Japan	From 01.04.2012 to 28.02.2013	18.10.2007	300 Ordinary Shares of the face value of JPY 10000 each (Note 2)	100%	(3.8)	5.3	Nil	Nil

Notes:

1. Shares are held by Lupin Holdings B.V., Netherlands, wholly-owned subsidiary of the Company.
2. Shares are held by Kyowa Pharmaceutical Industry Co., Ltd., Japan, 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, 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 8, 2013

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

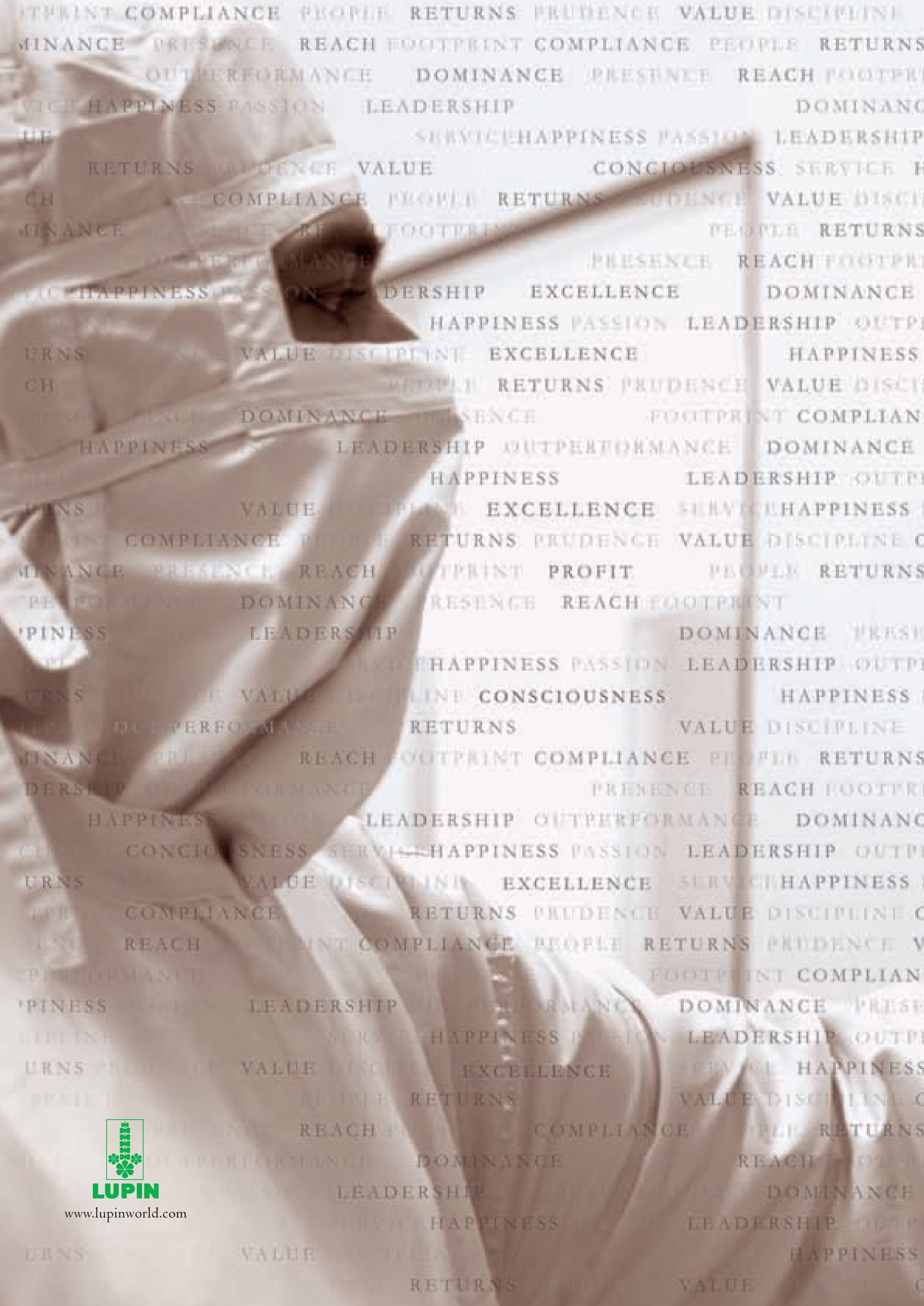
LUPIN LIMITED

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



LUPIN

www.lupinworld.com

NOTICE TO MEMBERS

NOTICE is hereby given that the Thirty-first Annual General Meeting of Lupin Limited will be held at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050, on Wednesday, August 7, 2013, at 2.30 p.m. to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2013, Statement of Profit and Loss for the year ended on that date and reports of Directors and Auditors.
2. To declare dividend for the year ended March 31, 2013.
3. To appoint a director in place of Dr. Kamal K. Sharma, who retires by rotation and is eligible for re-appointment.
4. To appoint a director in place of Ms. Vinita Gupta, who retires by rotation and is eligible for re-appointment.
5. To appoint a director in place of Mr. Nilesh Gupta, who retires by rotation and is eligible for re-appointment.
6. To appoint auditors to hold office from the conclusion of Thirty-first Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution: -

   "RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, (ICAI Regn. No. 117366W) who hold office till the conclusion of this Annual General Meeting and are eligible for re-appointment, be and are hereby re-appointed as Statutory Auditors, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting."

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution for the appointment of Mr. Dileep C. Choksi as a Director, in respect of whom notices have been received from certain members proposing his name for appointment as a Director: -

   "RESOLVED THAT Mr. Dileep C. Choksi, who holds office up to the date of this meeting, be and is hereby appointed a Director of the Company."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution for raising the investment limit of Foreign Institutional Investors in the equity share capital of the Company: -

   "RESOLVED THAT pursuant to the provisions of the Foreign Exchange Management Act, 1999 (including any statutory modifications, or re-enactments thereof for the time being in force or as may be enacted hereafter), any Regulations and Guidelines thereunder or any Rules, Regulations or Guidelines issued by Reserve Bank of India from time to time, consent of the Company be and is hereby accorded for investment by Foreign Institutional Investors in the equity share capital of the Company, either by way of direct investment or by purchase or otherwise by acquiring from the secondary market under the Portfolio Investment Scheme or any other Scheme up to 49% of the paid-up equity share capital of the Company.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 3 to 5, 7 and 8 is annexed.
3. The Register of Members and the Share Transfer Register will be closed from Wednesday, July 31, 2013 to Wednesday, August 7, 2013, (both days inclusive).
4. Dividend for the year ended March 31, 2013, if declared, at the Annual General Meeting, shall be paid to those Members, whose names appear: -

a. as beneficial owners at the end of business day on Tuesday, July 30, 2013 as per lists furnished by Central Depository Services (I) Limited and National Securities Depository Limited in respect of shares held in electronic form and

b. on the Register of Members of the Company as on Tuesday, July 30, 2013, in respect of shares held in physical form.

5. In order to enable the Company to remit dividend through National Electronic Clearing Service (NECS), Members are requested to provide/update details of their bank accounts indicating the name of the bank, branch, account number and the nine-digit MICR code (as appearing on the cheque). It is advisable to attach a photocopy of the cheque leaf/cancelled cheque leaf. The said information should be submitted to the Company if the shares are held in physical form and to the concerned Depository Participant (DP), if the same are held in electronic form. Payment through NECS shall be subject to availability of NECS centres and timely furnishing of complete and correct information by Members.

6. Members of the Company who have not encashed their dividend warrants for the year ended March 31, 2006 or any subsequent year(s) are requested to lodge their claims with the Company.

   Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amounts of unpaid/un-encashed dividend, matured deposits and interest thereon remaining unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund. Accordingly, during the year, unpaid dividend for the year ended March 31, 2005 was transferred to the said Fund.

   As refund of any amount transferred to the said Fund cannot be claimed, you are advised to encash your dividend warrants promptly.

7. Members are advised to avail of nomination facility in respect of shares held by them. Nomination forms can be downloaded from the Company's website www.lupinworld.com or obtained from the Investors' Services Department of the Company.

8. Members are requested to: -

   a. Intimate the Company, changes, if any, in their registered addresses at an early date for shares held in physical form. For shares held in electronic form, changes, if any, may please be communicated to respective DPs.

   b. Quote ledger folio numbers/DP ID and Client ID numbers in all their correspondence.

   c. Approach the Company for consolidation of various ledger folios into one.

   d. To avoid inconvenience, get the shares transferred in joint names, if they are held in a single name and/or appoint a nominee and

   e. Bring with them at the meeting, their copy of the Annual Report and Attendance Slip.

9. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their communications to the Registered Office of the Company, so as to reach at least seven days before the date of the meeting, so that the required information can be made available at the meeting, to the extent possible.

10. Members, who hold shares in electronic form, are requested to notify their DP and Client ID numbers at the meeting for easier identification.

By Order of the Board of Directors

R. V. SATAM
Company Secretary

Mumbai, June 28, 2013

Registered Office:
159, C.S.T. Road, Kalina,
Santacruz (East),
Mumbai - 400 098.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO.3

A brief profile of Dr. Kamal K. Sharma and names of companies in which he is a director are given in the Corporate Governance Report, which forms part of the Annual Report.

Dr. Kamal K. Sharma holds 309400 equity shares of ₹ 2/- each in the Company.

Dr. Kamal K. Sharma is interested in or concerned with the said resolution. None of the other directors can be considered to be interested in or concerned with the said resolution.

The Board recommends passing of the said resolution.

ITEM NO.4

A brief profile of Ms. Vinita Gupta and names of companies in which she is a director are given in the Corporate Governance Report, which forms part of the Annual Report.

Ms. Vinita Gupta holds 51600 equity shares of ₹ 2/- each in the Company.

Ms. Vinita Gupta is interested in or concerned with the said resolution. Dr. Desh Bandhu Gupta, Mrs. M. D. Gupta and Mr. Nilesh Gupta being related to Ms. Vinita, can be considered to be interested in or concerned with the said resolution. None of the other directors can be considered to be interested in or concerned with the said resolution.

The Board recommends passing of the said resolution.

ITEM NO.5

A brief profile of Mr. Nilesh Gupta and names of companies in which he is a director are given in the Corporate Governance Report, which forms part of the Annual Report.

Mr. Nilesh Gupta holds 625240 equity shares of ₹ 2/- each in the Company.

Mr. Nilesh Gupta is interested in or concerned with the said resolution. Dr. Desh Bandhu Gupta, Mrs. M. D. Gupta and Ms. Vinita Gupta being related to Mr. Gupta, can be considered to be interested in or concerned with the said resolution. None of the other directors can be considered to be interested in or concerned with the said resolution.

The Board recommends passing of the said resolution.

ITEM NO.7

Mr. Dileep C. Choksi was appointed as an Additional Director on October 23, 2012. He holds office up to the forthcoming Annual General Meeting. Notices along-with requisite deposits as required pursuant to the provisions of Section 257 of the Companies Act, 1956 have been received from certain Members proposing the appointment of Mr. Choksi as a Director.

A brief profile of Mr. Choksi and names of companies in which he is a director are given in the Corporate Governance Report, which forms part of the Annual Report.

Mr. Choksi does not hold any equity shares in the Company.

None of the Directors except Mr. Choksi can be considered to be interested in or concerned with the resolution.

Considering his eminence, rich experience and expertise in his field, it will be in the best interest of the Company to appoint him as a Director.

The Board recommends passing of the said resolution.

ITEM NO.8

The present limit of investment by Foreign Institutional Investors (FIIs) in the Company's equity share capital as approved by Reserve Bank of India (RBI) is 33%. Currently, FIIs hold about 30.75% in the equity share capital of the Company. It is the responsibility of the Company to monitor and ensure that the applicable cap as approved by the RBI is not breached.

As per the Sector-Specific Policy of RBI for foreign investment, the permitted investment ceiling for FIIs under 'Pharmaceuticals' sector is 100%, subject to RBI approval. Also, free float of your Company's shares (shares excluding promoters' holding) is about 53%.

Considering the trend of FIIs investments in the Company, it is desirable to raise the limit from 33% to 49%. Vide Circular Resolution dated June 20, 2013; the Board approved the said increase. In terms of notification no. FEMA 45/2001-RB dated September 20, 2001, issued by the Exchange Control Department of the RBI, approval of the RBI, shall also be obtained.

As participation of FIIs in the capital of a Company normally enhances the shareowners' value, the Board recommends this resolution for your approval.

By Order of the Board of Directors

R. V. SATAM
Company Secretary

Mumbai, June 28, 2013

Registered Office:
159, C.S.T. Road, Kalina,
Santacruz (East),
Mumbai - 400 098.

<u>Note for the kind attention of Members who are yet to register their e-mail address</u>

The Ministry of Corporate Affairs (MCA) has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies. Vide its Circular nos.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011, MCA has permitted companies to send Notices, Annual Report, etc. to its Members in electronic form, i.e. through e-mail.

Besides ensuring prompt receipt of communication and avoid loss of articles during postal transit, it shall also benefit the society at large through reduction in paper consumption thereby contributing towards a greener environment.

In view of the above, Members who have not registered their e-mail address so far, are requested to register the same with their Depository Participant (DP), if shares are held in demat form and with the Company, if shares are held in physical form, to receive documents and other communication from the Company in electronic form.

Please Cut Here

LUPIN

Registered Office: 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)
31st ANNUAL GENERAL MEETING - Wednesday, August 7, 2013

Reg. Folio No./DP ID & Client ID No.: ______________________ No. of shares held: __________

Name of the attending member (in block letters)

____

Name of proxy (in block letters, to be filled in by the proxy attending instead of the member)

____

I hereby record my presence at the 31st Annual General Meeting of the Company at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050, on Wednesday, August 7, 2013 at 2.30 p.m.

____
Member's / Proxy's Signature

Notes:
1) Interested joint members may obtain attendance slips from the Registered Office of the Company.
2) Members/joint members/proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.
3) The proxy form must be deposited so as to reach the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time of the Annual General Meeting.

LUPIN

Registered Office: 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.

PROXY FORM

Reg. Folio No./DP ID & Client ID No.: ______________________ No. of shares held: __________

I/We____ of _______________ being a member/members of the above-named Company hereby appoint ____ of _______________ or failing him/her ____ of _______________ as my/our proxy to attend and vote for me/us on my/our behalf at the 31st Annual General Meeting of the Company to be held at Rang Sharda Natyamandir, Bandra Reclamation, Bandra (West), Mumbai - 400 050, on Wednesday, August 7, 2013 at 2.30 p.m.

Signature: Revenue Stamp ₹ One

Date: